Ninety-Sixth Annual Report

of the

State Corporation Commission

of

Virginia

For the Year Ending December 31, 1998

GENERAL REPORT

Letter of Transmittal

COMMONWEALTH OF VIRGINIA

STATE CORPORATION COMMISSION

RICHMOND, VIRGINIA, *December 31, 1998*

To the Honorable James S. Gilmore

Governor of Virginia

Sir:

We have the honor to transmit herewith the ninety-sixth Annual Report of the State Corporation Commission for the year 1998.

Respectfully submitted,

Clinton Miller, Chairman

Theodore V. Morrison, Jr., Commissioner

Hullihen Williams Moore, Commissioner

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State Corporation Commission

COMMISSIONERS

*Hullihen Williams Moore	Chairman
**Clinton Miller	Chairman
Theodore V. Morrison, Jr.	Commissioner

***Joel H. Peck

Clerk of the Commission

*Term as Chairman expired January 31, 1998.

**Elected Chairman effective for term of one year, February 1, 1998

***Appointed Clerk of the Commission effective November, 16, 1998

Commissioners

The three initial Commissioners took office March 1, 1903. From 1903 to 1919 the Commissioners were appointed by the Governor subject to confirmation by the General Assembly. Between 1919 and 1926 they were elected by popular vote. Between 1926 and 1928 they were appointed by the Governor subject to confirmation by the General Assembly. Since 1928 they have been elected by the General Assembly.

The names and terms of office of the Commissioners:

		Years
Beverley T. Crump	March 1, 1903 to June 1, 1907	4
Henry C. Stuart	March 1, 1903 to February 28, 1908	5
Henry Fairfax	March 1, 1903 to October 1, 1905	3
Jos. E. Willard	October 1, 1905 to February 18, 1910	4
Robert R. Prentis	June 1, 1907 to November 17, 1916	9
Wm. F. Rhea	February 28, 1908 to November 15, 1925	18
J. R. Wingfield	February 18, 1910 to January 31, 1918	8
C. B. Garnett	November 17, 1916 to October 28, 1918	2
Alexander Forward	February 1, 1918 to December 5, 1923	5
Robert E. Williams	November 12, 1918 to July 1, 1919	1
(Temporary Appointment during absence of Forward on military service)		
S. L. Lupton	October 28, 1918 to June 1, 1919	1
Berkley D. Adams	June 12, 1919 to January 31, 1928	9
Oscar L. Shewmake	December 16, 1923 to November 24, 1924	1
H. Lester Hooker	November 25, 1924 to January 31, 1972	47
Louis S. Epes	November 16, 1925 to November 16, 1929	4
Wm. Meade Fletcher	February 1, 1928 to December 19, 1943	16
George C. Peery	November 29, 1929 to April 17, 1933	3
Thos. W. Ozlin	April 17, 1933 to July 14, 1944	11
Harvey B. Apperson	January 31, 1944 to October 5, 1947	4
Robert O. Norris	August 30, 1944 to November 20, 1944	
L. McCarthy Downs	December 16, 1944 to April 18, 1949	5
W. Marshall King	October 7, 1947 to June 24, 1957	10
Ralph T. Catterall	April 28, 1949 to January 31, 1973	24
Jesse W. Dillon	July 16, 1957 to January 28, 1972	14
Preston C. Shannon	March 10, 1972 to January 31, 1996	25
Junie L. Bradshaw	March 10, 1972 to January 31, 1985	13
Thomas P. Harwood, Jr.	February 20, 1973 to February 20, 1992	19
Elizabeth B. Lacy	April 1, 1985 to December 31, 1988	4
Theodore V. Morrison, Jr.	February 16, 1989 to	
Hullihen Williams Moore	February 1, 1992 to	
Clinton Miller	February 15, 1996 to	

From 1903 through 1998 the lines of succession were:

	Years		Years		Years
Crump	4	Stuart	5	Fairfax	3
Prentis	9	Rhea	18	Willard	4
Garnett	2	Epes	4	Wingfield	8
Lupton	1	Peery	3	Forward	5
Adams	9	Ozlin	11	Williams	1
Fletcher	16	Norris	0	Shewmake	1
Apperson	4	Downs	5	Hooker	47
King	10	Catterall	24	Bradshaw	13
Dillon	14	Harwood	19	Lacy	4
Shannon	25	Morrison	10	Moore	7
Miller	3				

Preface

The State Corporation Commission is vested with regulatory authority over many business and economic interests in Virginia. These interests are as varied as the SCC's powers, which are delineated by the state constitution and state law. Its authority ranges from setting rates charged by large investor-owned utilities to serving as the central filing agency for corporations in Virginia.

Initially established to oversee the railroad and telephone and telegraph industries in Virginia, the SCC's jurisdiction now includes many businesses which directly impact Virginia consumers. The SCC's authority encompasses utilities, insurance, state-chartered financial institutions, securities, retail franchising, the Virginia Pilots' Association, and railroads. It is the state's central filing office for corporations, limited partnerships, limited liability companies, and Uniform Commercial Code liens.

The SCC's structure is unique. No other state has charged one agency with such a broad array of regulatory responsibility. The SCC is organized as a fourth branch of government with its own legislative, administrative, and judicial powers. SCC decisions can only be appealed to the Virginia Supreme Court.

COMMONWEALTH OF VIRGINIA

STATE CORPORATION COMMISSION

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PART I
THE STATE CORPORATION COMMISSION

1:1. *Constitutionally Created.* The Commission is a permanent body with powers and duties prescribed by Article IX of the Constitution and by statute (Code §§ 12.1-2, 12.1-12, *et seq.*).

1:2. *Seal of Commission.* As described by the Code of Virginia, and when affixed to any paper, record or document, customarily by the Clerk of the Commission, the seal has the same force and effect for authentication as the seal of a court of record in the State (Code §§ 12.1-3, 12.1-19).

1:3. *Principal Office.* Jefferson Building, Corner of Bank and Governor Streets, Richmond, Virginia; mailing address: Box 1197, Zip Code 23209.

1:4. *Public Sessions*: Writ or Process. Public sessions for the hearing of any complaint, proceeding, contest or controversy instituted or pending, whether of the Commission's own motion or otherwise, shall be at its principal office, or, in its discretion, when public necessity or the convenience of the parties requires, elsewhere in the State. All notices, writs and processes of the Commission shall be returnable to the place of any such session (Code §§ 12.1-5, 12.1-26, 12.1-29). Sessions are held throughout the year except during August. All cases will be set for a day certain and the parties notified.

PART II
ORGANIZATION

2:1. *The Commission.* The Commission consists of three members elected by the joint vote of the two houses of the General Assembly for regular staggered terms of six years (Code § 12.1-6).

2:2. *Chairman.* One of its members is elected chairman by the Commission for a one-year term beginning on the first day of February of each year (Code § 12.1-7).

2:3. *Quorum.* A majority of the Commissioners shall constitute a quorum for the exercise of judicial, legislative, and discretionary functions of the Commission, whether there be a vacancy in the Commission or not, but a quorum shall not be necessary for the exercise of its administrative functions (Code § 12.1-8).

2:4. *Administrative Divisions.* The public responsibilities of the Commission are divided among the following divisions:

(a) Accounting and Finance.

Periodic audit of all public utilities, electric, gas, telephone, electric and telephone cooperatives, radio common carriers, water and sewer. Preparation of the analyses and studies incident to all utility applications to engage in affiliates' transactions, issue securities, acquire certificates of convenience and necessity and/or to increase rates.

(b) Bureau of Financial Institutions.

Examination of and supervisory responsibility for all state-chartered banks, trust companies, savings and loan associations, industrial loan associations, credit unions, small loan companies, money order sales and non-profit debt counseling agencies, as provided by law.

(c) Bureau of Insurance.

Licensing and examination of insurance companies and agents, including contracts and plans for future hospitalization, medical and surgical services, and premium finance companies; approval of policy forms; collection of premium taxes and fees; public filings of financial statements and premium rates; rate regulation.

(d) Clerk's Office.

Administration of the corporate statutes concerning the issuance of certificates of incorporation, amendment, merger, etc., the qualification of foreign corporations, and the assessment of annual registration fees; administration of the limited partnership statutes concerning the filing of certificates of limited partnership, amendment and cancellation, the registration of foreign limited partnerships, and the assessment of annual registration fees; public depository of corporate and limited partnership documents required to be filed with the Commission; provides certified and uncertified copies of documents and information filed with the Commission; statutory agent for service of process pursuant to Code §§ 8.01-285 *et seq.*, 13.1-637, 13.1-766, 13.1-836, 13.1-928, and 40.1-68; powers and functions of a clerk of a court of record in all matters within the Commission's jurisdiction.

(e) Communications.

Responsible for regulation of rates and services of telephone and radio common carriers, including administrative interpretations and rulings related to rules, regulations, rates and charges; investigation of consumer complaints; provides testimony in rate and service proceedings; development of special studies, including depreciation prescriptions; monitoring construction programs and service quality; administration of the Utility Facilities Act and maintenance of territorial maps as pertains to communications.

(f) Corporate Operations.

Records and maintains on computer systems or microfilm the information and documents filed with the Clerk's Office by corporations and limited partnerships; takes telephonic requests for copies of such documents and information; provides facilities for "walk-in" viewing of such information and documents; responds to telephonic requests for specific information concerning corporations and limited partnerships of record in the Clerk's Office; processes requests for corporate and limited partnership forms prepared or prescribed by the Commission; processes various types of documents delivered to the Commission for filing, including annual reports, registered office/agent changes and annual registration fee payments.

(g) Economic Research and Development.

Performs basic economic and financial research on matters involving the regulation of public utilities; conducts research on policy matters confronting the Commission; provides financial and economic testimony in rate hearings, and engages in developing administrative processes to facilitate the conduct of the Commission's regulatory responsibilities.

(h) Energy Regulation.

Responsible for regulation and rates and services of electric, gas, water and sewer utilities, including administrative interpretations and rulings relating to rules, regulations, rates and charges; investigation of consumer complaints; maintenance of territorial maps; preparation of testimony for rate and service proceedings; development of special studies, including depreciation prescriptions; monitoring construction programs and service quality; administration of the Utility Facilities Act and enforcement of safety regulations affecting gas pipelines and other facilities of gas utilities.

(i) General Counsel.

Analysis of facts and legal issues for the Commission, and for purposes of appeal, relative to all matters coming before the Commission, including certificates of convenience and necessity, facilities and rates affecting public utilities, insurance, banking, securities, transportation, etc.

(j) Motor Carrier.

Reviews and evaluates motor carrier rules and regulations; develops legislative and internal procedural changes or modifications pertaining to motor carriers; work with other state and federal regulatory agencies and with motor carrier associations. Responsible for the registration of vehicles and commodity authorization pertinent to all tractors, three-axle trucks (private and for-hire) and all for-hire buses qualified to move interstate through Virginia, and all intrastate for-hire carriers, including taxicabs: certification or evidence of liability and cargo insurance: emergency authority to qualified carriers, a registry of agents for process on interstate carriers. The Motor Carrier Division is also responsible for the collection of the Virginia Motor Fuel Road Tax on a quarterly basis and also audits and examines the records of motor carriers for road tax liability. Enforcement of motor carrier laws, Code §§ 56-273 *et seq.*, and related rules and regulations of the Commissions, by investigation and the power to arrest. Analysis of facts and issues of the Commission relative to transportation companies, such as certificates of convenience and necessity sought by common carriers of persons or property, charter party carriers, household goods carriers, petroleum tank truck carriers, sight-seeing carriers, and restricted parcel carriers, together with applications for rate increases or alterations of service by motor and other surface carriers. Analysis of information for use in prosecution before the Commission pertaining to transportation services.

(k) Public Service Taxation.

Administration of Code §§ 58.1-2600 to 58.1-2690, evaluation and assessment for local taxation to all real and tangible personal property of public service corporations: electric, gas, water, telephone and telegraph companies. Assessment of state taxes of public service corporations: gross receipts tax, pole line tax, and special revenue tax. The assessment, collection and distribution of taxes to localities for the rolling stock of certificated common carriers.

(l) Railroad Regulation.

Investigates, at its own volition or upon complaint, rail service and the compliance with rules, regulations, and rates by rail common carriers when intrastate aspects are involved. Analyzes and handles applications for intrastate rate increases or alteration of service, together with all or other rail tariff matters.

(m) Securities and Retail Franchising.

Registration of publicly offered securities, broker-dealers, securities salesmen, investment advisors and investment advisor representatives; complaint investigation - "Blue Sky Laws"; registration of franchises and complaint investigation - Retail Franchising Act; registration of intrastate trademarks and service marks; administration of Take-Over-Bid Disclosure Act.

(n) Uniform Commercial Code.

Administration of Code §§ 8.9-401, *et seq.*, U.C.C. central filing office for financing statements, amendments, termination statements and assignments by secured parties nationwide, being primary secured interests in equipment and inventories; discharge the duties of the filing officer under the Uniform Federal Tax Lien Registration Act, Code §§ 55-142.1, *et seq.*

PART III
ADMINISTRATIVE FUNCTIONS

3:1. *Conduct of Business.* Persons who have business with the Commission will deal directly with the appropriate division, and all correspondence should be addressed thereto.

3:2. *Acts of Officers and Employees.* Administrative acts of officers and employees are the acts of the Commission, subject to review by the Commissioner under whose assigned supervision within the Commission's internal division the function was performed.

3:3. *Review of Acts of Officers and Employees.* Anyone dissatisfied with any administrative action of an employee should make informal complaint to the division head, and if not thereby resolved, may present a complaint, as provided in Rule 5:4, for review by the Commissioner under whose supervision the division head acted. Subject to the equitable doctrine of laches, and unless contrary to statute, administrative acts may be reviewed and corrected for error of fact or law at any time. If necessary to complete relief, an order may be entered effective retroactively.

3:4. *Hearing Before the Commission.* Upon written petition of any person in interest dissatisfied with any action taken by a division of the Commission, or by its failure to act, resulting from disputed facts or from disputed statutory interpretation or application, the Commission will set the matter for hearing. If the dispute be one of law only, in lieu of a hearing, the Commission may order a stipulation of facts and submission of the issues and argument by written briefs. Oral argument in any such case shall be with the consent of the Commission.

PART IV
PARTIES TO PROCEEDINGS

4:1. *Parties.* Parties to a proceeding before the Commission are designated as applicants, petitioners, complainants, defendants, protestants, or interveners, according to the nature of the proceeding and the relationship of the respective parties.

4:2. *Applicants.* Persons filing formal written requests with the Commission for some right, privilege, authority or determination subject to the jurisdiction of the Commission are designated as applicants.

4:3. *Petitioners.* Persons filing formal written requests for redress of some alleged wrong arising from acts or things done or omitted to be done in violation of some law administered by the Commission, or in violation of some rule, regulation or order issued thereby, are designated as petitioners.

4:4. *Complainants.* Persons making informal written requests for redress of some alleged wrong arising from acts or things done or omitted to be done in violation of some law administered by the Commission, or in violation of some rule, regulation or order issued thereby are designated as complainants.

4:5. *Defendants.* In all complaints, proceedings, contests, or controversies by or before the Commission instituted by the Commonwealth or by the Commission on its own motion, or upon petition, the party against whom the complaint is preferred, or the proceeding instituted, shall be the defendant.

4:6. *Protestants.* Persons filing a notice of protest and/or protest in opposition to the granting of an application, in whole or in part, are designated as protestants. All protestants must submit evidence in support of their protest, and comply with the requirements of Rules 5:10, 5:16, and 6:2. A protestant may not act in the capacity of both witness and counsel except in his own behalf. All cross-examination permitted by a protestant shall be material and relevant to protestant's case as contemplated by Rules 5:10, 5:16 and 6:2.

4:7. *Interveners.* Any interested person may intervene in a proceeding commenced by an application, or by a Rule to Show Cause under Rule 4:11, or by the Commission pursuant to Rule 4:12, by *attending* the hearing and executing and filing with the bailiff a notice of appearance on forms provided for that purpose. An intervener, subject to challenge for lack of interest and subject to the general rules of relevancy and redundancy, may testify in support of or in opposition to the object of the proceeding, may file a brief, and may make oral argument with leave of the Commission, but may not otherwise participate in the proceeding before the Commission.

4:8. *Counsel.* No person not duly admitted to practice law before the court of last resort of any state or territory of the United States or of the District of Columbia shall appear as attorney or counsel in any proceeding except in his own behalf when a party thereto, or in behalf of a partnership, party to the proceeding, of which such person is adequately identified as a member; provided, however, no foreign attorney may appear unless in association with a member of the Virginia State Bar.

4:9. *Commission's Staff.* Members of the Commission's staff appear neither in support of, nor in opposition to, any party in any cause, but solely on behalf of the general public interest to see that all the facts appertaining thereto are clearly presented to the Commission. They may conduct investigations and otherwise evaluate the issue or issues raised, may testify and offer exhibits with reference thereto, and shall be subject to cross-examination as any other witness. In all proceedings the Commission's staff is represented by the General Counsel division of the Commission.

4:10. *Consumer Counsel.* Code § 2.1-133.1 provides for a Division of Consumer Counsel within the office of the Attorney General, the duties of which, in part, shall be to appear before the Commission to represent and be heard on behalf of consumers' interests, and investigate such matters relating to such appearance, with the objective of insuring that any matters adversely affecting the interests of the consumer are properly controlled and regulated. In all such proceedings before the Commission, the Division of Consumer Counsel shall have as full a right of discovery as is provided by these Rules for any other party, and otherwise may participate to the extent reasonably necessary to discharge its statutory duties.

4:11. *Rules To Show Cause.* Investigative, disciplinary, and penal proceedings will be instituted by rule to show cause at the instigation of the Commonwealth, by the Commission's own motion as a consequence of any unresolved valid complaint upon petition, or for other good cause. In all such proceedings the public interest shall be represented and prosecuted by the General Counsel division. The issuance of such a rule does not place on the defendant the burden of proof.

4:12. *Promulgation of General Orders, Rules or Regulations.* Before promulgating any general order, rule or regulation, the Commission shall give reasonable notice of its contents and shall afford interested persons having objections thereof an opportunity to present evidence and be heard. Oral argument in all such cases shall be by leave of the Commission, but briefs in support or opposition will be received within a time period fixed by the Commission.

4:13. *Consultation by Parties with Commissioners.* No party, or person acting on behalf of any party, shall confer with, or otherwise communicate with, any Commissioner with respect to the merits of any pending proceeding without first giving adequate notice to all other parties, other than interveners under Rule 4:7, and affording such other parties full opportunity to be present and to participate, or otherwise to make appropriate response to the substance of the communication.

4:14. *Consultation between Commissioners and their Staff.* As provided by Rule 4:9, no member of the Commission's Staff is a "party" to any proceeding before the Commission, regardless of his participation in Staff investigations with respect thereto or of his participation therein as a witness. Since the purpose of the Staff is to aid the Commission in the proper discharge of Commission duties, the Commissioners shall be free at all times to confer with their Staff, or any of them, with respect to any proceeding. Provided, however, no facts not of record which reasonably could be expected to influence the decision in any matter pending before the Commission shall be furnished to any Commissioner unless all parties to the proceeding, other than interveners under Rule 4:7, be likewise informed and afforded a reasonable opportunity to respond.

PART V
PLEADINGS

5:1. *Nature of Proceeding.* The Commission recognizes both formal and informal proceedings. Matters requiring the taking of evidence and all instances of rules to show cause are considered to be formal proceedings and must be instituted and progressed in conformity with applicable rules. Whenever practicable, informal proceedings are recommended for expeditious adjustment of complaints of violations of statute, rule or regulation, or of controversies arising from administrative action within the Commission.

5:2. *Filing Fees.* There are no fees, unless otherwise provided by law, for filing and/or prosecuting formal or informal proceedings before the Commission.

5:3. *Declaratory Judgments.* A person having no other adequate remedy may petition the Commission for a declaratory judgment under Code § 8.01-184. In such a proceeding, the Commission shall provide by order for any necessary notice to third persons and intervention thereof, which intervention shall be by motion.

5:4. *Informal Proceedings (Complaints).* Informal proceedings may be commenced by letter, telegram, or other instrument in writing, directed to the appropriate Administrative Division, setting forth the name and post office address of the person or persons, or naming the Administrative Division of the Commission, against whom the proceeding is instituted, together with a concise statement of all the facts necessary to an understanding of the grievance and a statement of the relief desired. Matters so presented will be reviewed by the appropriate division or Commissioner and otherwise handled with the parties affected, by correspondence or otherwise, with the object of resolving the matter without formal order or hearing; but nothing herein shall preclude the issuance of a formal order when necessary or appropriate for full relief.

5:5. *Complaint - An Informal Pleading.* All complaints under Rule 5:4 are regarded initially as instituting an informal proceeding and need comply only with the requisites of that Rule.

5:6. *Subsequent Formal Proceeding.* The instigation of an informal proceeding is without prejudice to the right thereafter to institute a formal proceeding covering the same subject matter. Upon petition of any aggrieved party, or upon its own motion if necessary for full relief, the Commission will convert any unresolved valid complaint to a formal proceeding by the issuance of a rule to show cause, or by an appropriate order setting a formal hearing, upon at least ten (10) days notice to the parties, or as shall be required by statute.

5:7. *Rules to Show Cause - Style of Proceeding.*

(a) Cases instituted by the Commission on its own motion against a defendant will be styled:

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
(Defendant's name)

(b) Cases instituted by others against a defendant will be styled:

COMMONWEALTH OF VIRGINIA, *ex rel.* (Complainant's name)
v.
(Defendant's name)

5:8 *Promulgation of General Orders, Rules or Regulations - Style of Proceeding.* Proceedings Instituted by the Commission for the captioned purposes will be styled:

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
Ex Parte, in re

5:9. *Formal Pleadings.* Pleadings in formal proceedings include applications, petitions, notices of protest, protests, answers, motions, and comments on Hearing Examiners' Reports. Printed form applications supplied by Administrative Divisions are not subject to Rules 5:10, 5:12 and 5:13.

5:10. *Contents.*

(a) In addition to the requirements of Rules 5:15 and 5:16, all formal pleading shall be appropriately designated ("Notice of Protest", "Answer", etc.) and shall contain the name and post office address of each party by or for whom the pleading is filed, and the name and post office address of counsel, if any. No such pleading need be under oath unless so required by statute, but shall be signed by counsel, or by each party in the absence of counsel.

(b) Applications for tax refunds or the correction of tax assessments must comply with the applicable statutes.

5:11. *Amendments.* No amendments shall be made to any formal pleading after it is filed except by leave of the Commission, which leave shall be liberally granted in the furtherance of justice. The Commission shall make such provision for notice and for opportunity to respond to the amended pleadings as it may deem necessary and proper.

5:12. *Copies and Paper Size Required.*

(a) The provisions of this rule as to the number of copies required to be filed shall control in all cases unless other rules applicable to specific types of proceedings provide for a different number of copies or unless otherwise specified by the Commission. The Commission may require additional copies of any formal pleading to be filed at any time.

(b) Applications, together with petitions filed by utilities, shall be filed in original with fifteen (15) copies unless otherwise specified by the Commission. Applications, petitions, and supporting exhibits which are filed by a utility shall be bound securely on the left hand margin. An application shall not be bound in volumes exceeding two inches in thickness. An application containing exhibits shall have tab dividers between each exhibit and shall include an index identifying its contents.

(c) Petitions, other than those of utilities, shall be filed in original and five (5) copies.

(d) Pre-trial motions whether responsive or special, shall be filed in original with four (4) copies, together with service of one (1) copy upon all counsel of record and upon all parties not so represented.

(e) Protests, notices of protest, answers, and comments on Hearing Examiners' Reports shall be filed in original with fifteen (15) copies, together with service of one (1) copy upon counsel of record for each applicant or petitioner and upon any such party not so represented.

(f) All documents of whatever nature filed with the Clerk of the Commission (Document Control Center) shall be produced on pages 8 1/2 x 11 inches in size. This rule shall not apply to tables, charts, plats, photographs, and other material that cannot be reasonably reproduced on paper of that size.

In addition all documents filed with the Clerk shall be fully collated and assembled into complete and proper sets ready for distribution and use, without the need for further assembly, sorting or rearrangement.

5:13. *Filing and Service by Mail.* Any formal pleading or other related document or paper shall be considered filed with the Commission upon receipt of the original and required copies by the Clerk of the Commission at the following address: State Corporation Commission, Document Control Center, P.O. Box 2118, Richmond, Virginia 23216. Said original and copies shall immediately be stamped by the Clerk showing date and time of receipt. Informal complaints shall conform to Rule 5:4. Any formal pleading or other document or paper required to be served on the parties to any proceeding, absent special order of the Commission to the contrary, shall be effected by delivery of a true copy thereof, or by depositing same in the United States mail properly addressed and stamped, on or before the day of filing. Notices, findings of fact, opinions, decisions, orders or any other papers to be served by the Commission may be served by United States mail; provided however, all writs, processes, and orders of the Commission acting in conformity with Code § 12.1-27 shall be attested and served in compliance with Code § 12.1-29. At the foot of any formal pleading or other document or paper required to be served, the party making service shall append either acceptance of service or a certificate of counsel of record that copies were mailed or delivered as required. Counsel herein shall be as defined in Rule 1:5, Rules of the Supreme Court of Virginia.

5:14. *Docket or Case Number.* When a formal proceeding is filed with the Commission, it shall immediately be assigned an individual number. Thereafter, all pleadings, papers, briefs, correspondence, etc., relating to said proceeding shall refer to such number.

5:15. *Initial Pleadings.* The initial pleading in any formal proceeding shall be an application or a petition.

(a) Applications: An application is the appropriate initial pleading in a formal proceeding wherein the applicant seeks authority to engage in some regulated industry or business subject to the Commission's regulatory control, or to make any changes in the presently authorized service, rate, facilities, or other aspects of the public service purpose or operation of any such regulated industry or business for which Commission authority is required by law. In addition to the requirements of Rule 5:10, each application shall contain (i) a full and clear statement of facts which the party or parties are prepared to prove by competent evidence, the proof of which will warrant the objective sought; and (ii) details of the objective sought and the legal basis therefor.

(b) Petitions: A petition is the appropriate initial pleading in a formal proceeding wherein a party complainant seeks the redress of some alleged wrong arising from prior action or inaction of the Commission, or from the violation of some statute or rule, regulation or order of the Commission which it has the legal duty to administer or enforce. In addition to the requirements of Rule 5:10, each petition shall contain (i) a full and clear statement of facts which the party or parties are prepared to prove by competent evidence, the proof of which will warrant the relief sought; and (ii) a statement of the specific relief sought and the legal basis therefor.

5:16. *Responsive Pleadings.* The usual responsive pleadings in any formal proceeding shall be a notice of protest, protest, motion, answer, or comments on a Hearing Examiner's Report, as shall be appropriate, supplemented with such other pleadings, including stipulations of facts and memoranda, as may be appropriate.

(a) Notice of Protest: A notice of protest is the proper *initial* response to an application in a formal proceeding by which a protestant advises the Commission of his interest in protecting existing rights against invasion by an applicant. Such notice is appropriate only in those cases in which the Commission requires the pre-filing of prepared testimony and exhibits as provided by Rules 6:1 and 6:2. In all other cases, the appropriate initial responsive pleading of a protestant will be by protest as hereafter provided. In addition to the requirements of Rule 5:10, a notice of protest shall contain a precise statement of the interest of the party or parties filing same, and it shall be filed within the time prescribed by the Commission as provided by Rule 6:1.

(b) Protests: A protest is a proper responsive pleading to an application in a formal proceeding by which the protestant seeks to protect existing rights against invasion by the applicant. It shall be the initial responsive pleading by a protestant in all cases in which the parties are not required to pre-file testimony and exhibits. When such a pre-trial filing is required, a protest must be filed in support of, and subsequent to, a notice of protest. A protest must be filed within the time prescribed by the Commission Order which, in cases involving pre-filed testimony and exhibits, will always be subsequent to such filing by the applicant. In addition to the requirements of Rule 5:10, a protest shall contain (i) a precise statement of the interest of the protestant in the proceeding; (ii) a full and clear statement of the facts which the protestant is prepared to prove by competent evidence, the proof of which will warrant the relief sought; and (iii) a statement of the specific relief sought and the legal basis therefor.

(c) Answers: An answer is the proper responsive pleading to a petition or rule to show cause. An answer, in addition to the requirements of Rule 5:10, shall contain (i) a precise statement of the interest of the party filing same; (ii) a full and clear statement of facts which the party is prepared to prove by competent evidence, the proof of which will warrant the relief sought; and (iii) a statement of the specific relief sought and the legal basis therefor. An answer must be filed within the time prescribed by the Commission.

(d) Motions: A motion is the proper responsive pleading for testing the legal sufficiency of any application, protest, or rule to show cause. Recognized for this purpose are motions to dismiss and motions for more definite statement.

(i) Motion to Dismiss: Lack of Commission jurisdiction, failure to state a cause of action, or other legal insufficiency apparent on the face of the application, protest, or rule to show cause may be raised by motion to dismiss. Such a motion, directed to any one or more legal defects, may be filed separately or incorporated in a protest or any other responsive pleading which the Commission may direct be filed. Responsive motions must be filed within the time prescribed by the Commission.

(ii) Motion for More Definite Statement: Whenever an application, protest, or rule to show cause is so vague, ambiguous, or indefinite as to make it unreasonably difficult to determine a fair and adequate response thereto, the Commission, at its discretion, on proper request, or of its own motion, may require the filling of a more definite statement or an amended application, protest, or rule and make such provision for the

filing of responsive pleadings and postponement of hearing as it may consider necessary and proper. Any such motion and the response thereto must be filed within the time prescribed by the Commission.

(e) Comments on a Hearing Examiner's Report: Comments are the proper responsive pleading to a report of a Hearing Examiner. Such comments may note a party's objections to any of the rulings, findings of fact or recommendations made by an Examiner in his Report, or may offer remarks in support of or clarifications regarding the Examiner's Report. No party may file a reply to comments on the Examiner's Report.

5:17. *Improper Joinder of Causes.* Substantive rules or standards, or the procedures intended to implement same, previously adopted by the Commission, governing the review and disposition of applications, may not be challenged by any party to a proceeding intended by these Rules to be commenced by application. Any such challenge must be by independent petition.

5:18. *Extension of Time.* The Commission may, at its discretion, grant an extension of time for the filing of any responsive pleading required or permitted by these Rules. Applications for such extensions shall be made by special motion and served on all parties of record and filed with the Commission at least three (3) days prior to the date on which the pleading was required to have been filed.

PART VI
PREHEARING PROCEDURES

6:1. *Docketing and Notice of Cases.* All formal proceedings before the Commission are set for hearing by order, which, in the case of an application shall also provide for notice to all necessary and potentially interested parties - either by personal service or publication, or both. This original order shall also fix dates for filing prepared testimony and responsive pleadings, together with such other directives as the Commission deem necessary and proper. The filing of a petition resulting in the issuance of a show cause order (except for a declaratory judgment) shall be served as required by law upon the defendant or defendants. This order shall prescribe the time of hearing and provide for such other matters as shall be necessary or proper.

6:2. *Prepared Testimony and Exhibits.* Following the filing of all applications dependent upon complicated or technical proof, the Commission may direct the applicant to prepare and file with the Commission, well in advance of the hearing date, all testimony in question and answer or narrative form, including all proposed exhibits, by which applicant expects to establish his case. Protestants, in all proceedings in which an applicant shall be required to pre-file testimony, shall be directed to pre-file in like manner and by a date certain all testimony an proposed exhibits necessary to establish their case. Failure to comply with the directions of the Commission, without good cause shown, will result in rejection of the testimony and exhibits by the Commission. For good cause shown, and with leave of the Commission, any party may correct or supplement, before or during hearing, all pre-filed testimony and exhibits. In all proceedings all such evidence must be verified by the witness before the introduction into the record. An original and fifteen (15) copies of prepared testimony and exhibits shall be filed unless otherwise specified in the Commission's order and public notice. Documents of unusual bulk or weight, and physical exhibits other than documents, need not be prefiled, but shall be described and made available for pretrial examination. Interveners are not subject to this Rule.

6:3. *Process, Witnesses and Production of Documents and Things.*

(a) In all matters within its jurisdiction, the Commission has the powers of a court of record to compel the attendance of witnesses and the production of documents, and any party complainant (petitioner) or defendant in a show cause proceeding under Rule 4:11 shall be entitled to process, to convene parties, and to compel the attendance of witnesses and the production of books, papers or documents as hereinafter provided.

(b) In all show cause proceedings commenced pursuant to Rule 4:11, notice to the parties of the nature of the proceeding, hearing date and other necessary matters shall be effected by the Commission in accordance with Code § 12.1-29. Upon written request to the Clerk of the Commission by any party to such a proceeding, with instructions as to mode of service, a summons will likewise be issued directing any person to attend on the day and place of hearing to give evidence before the Commission.

(c) In a Rule 4:11 proceeding, whenever it appears to the Commission, by affidavit filed with the Clerk by a party presenting evidence that any book, writing or document, sufficiently described in said affidavit, is in the possession, or under the control, of any identified persons not a party to the proceeding, and is material and proper to be produced in said proceeding, either before the Commission or before any person acting under its process or authority, the Commission will order the Clerk to issue a subpoena and to have same duly served, together with an attested copy of the aforesaid order, compelling production at a reasonable time and place.

(d) In all proceedings intended by these Rules to be commenced by application, the subpoena of witnesses and for the production of books, papers and documents shall be by order of the Commission upon special motion timely filed with the Clerk. Such a motion will be granted only for good cause shown, subject to such conditions and restrictions as the Commission shall deem proper.

6:4. *Interrogatories to Parties or Requests for Production of Documents and Things.* Any party to any formal proceeding before the Commission, except an intervener and other than a proceeding under Rule 4:12 or a declaratory judgment proceeding, may serve written interrogatories upon any other party, other than the Commission's Staff, provided a copy is filed simultaneously with the Clerk of the Commission, to be answered by the party served, or if the party served is a corporation, partnership or association, by an officer or agent thereof, who shall furnish such information as is known to the party. No interrogatories may be served which cannot be timely answered before the scheduled hearing date without leave of the Commission for cause shown and upon such conditions as the Commission may prescribe.

Answers are to be signed by the person making them. Objections, if any, to specified questions shall be noted within the list of answers. Answers and objections shall be served within 21 days after the service of interrogatories, or as the Commission may otherwise prescribe. Upon special

motion of either party, promptly made, the Commission will rule upon the validity of any objections raised by answers, otherwise such objections shall be considered sustained.

Interrogatories may relate to any matter, not privileged, which is relevant to the subject matter involved, including the existence, description, nature, custody, condition and location of any books, documents or other tangible things and the identity and location of persons having knowledge of evidentiary value. It is not necessarily grounds for objection that the information sought will be inadmissible at the hearing if such information appears reasonably calculated to lead to the discovery of admissible evidence.

All interrogatories which request answers requiring the assembling or preparation of information or data which might reasonably be considered as original work product are subject to objection. Where the answer to an interrogatory may be derived or ascertained from the business records of the party questioned or from an examination, audit or inspection of such business records, or from a compilation, abstract or summary based thereon, and the burden of deriving or ascertaining the answer is substantially the same for one party as for the other, an answer is sufficient which specifies the records from which the answer may be derived and tenders to the questioning party reasonable opportunity to examine, audit or inspect such records and to make copies, compilations, abstracts, or summaries.

This rule shall apply, insofar as practicable, to requests for the production of documents and things and to the production of same in the same manner as it applies to written interrogatories and the answers filed thereto.

6:5. *Hearing Preparation - Experts.* In a formal proceeding intended by these Rules to be commenced by application, the applicant, any party protestant, and the Commission staff may serve on any other such party a request to examine the work papers of any expert employed by such party and whose prepared testimony has been pre-filed in accordance with the Rule 6:2. The examining party may make copies, abstracts or summaries of such work papers, but in every case, except for the use of the Commission staff, copies of all or any portion or part of such papers will be furnished the requesting party only upon the payment of the reasonable cost of duplication or reproduction. A copy of any request served as herein provided shall be filed with the Commission.

6:6. *Postponements.* For cause shown, postponements, continuances and extensions of time will be granted or denied at the discretion of the Commission, except as otherwise provided by law. Except in cases of extreme emergency, requests hereunder must be made at least fourteen (14) days prior to the date set for hearing. In every case in which a postponement or continuance is granted it shall be the obligation of the requesting party to arrange with all other parties for a satisfactory available substitute hearing schedule. Absent the ability of the parties to agree, the Commission will be so advised and a hearing date will be set by the Commission. In either case, the requesting party shall prepare an appropriate draft of order for entry by the Commission, which order shall recite the agreement of the parties, or the absence thereof, and file the same with an additional copy for each counsel of record as prescribed in Rule 5:13. Following entry, an attested copy of the order shall be served by the Clerk on each counsel of record.

6:7. *Prehearing Conference.* The Commission has the discretion in any formal proceeding to direct counsel of record to appear before it for conference to consider:

(a) The simplification or limitation of issues;

(b) The nature and preparation of prepared testimony and exhibits;

(c) The possibility of obtaining admissions of fact and of documents which will avoid unnecessary proof;

(d) The limitation of witnesses;

(e) Such other matters as may aid in the disposition of the proceeding.

The Commission shall enter an order reciting the action taken at the conference, including any agreements made by the parties which limit the issues for hearing to those not disposed of by admissions or agreements of counsel. Such other shall control the subsequent course of the proceeding unless subsequently modified to prevent injustice.

Substantive rules or regulations, and any procedures intended to implement same, previously adopted by order of the Commission, applicable to regulated businesses or industries, or classes thereof, will be applied by the Commission in reviewing and disposing of any application thereafter filed by any such business or industry, whether incorporated in an appropriate prehearing order or not. Testimony or argument intended to cancel or modify any such rule or regulation, or implementing procedures, will not be entertained except in a separate proceeding instituted by the filing of an appropriate petition as provided in Rule 5:17.

PART VII
PROCEEDINGS BEFORE A HEARING EXAMINER

7:1. *Proceedings Before a Hearing Examiner.* The Commission may, by order, assign any matter pending before it to a Hearing Examiner. In such event, and unless otherwise ordered, the Examiner shall conduct all further proceedings in the matter on behalf of the Commission, concluding with the filing of the Examiner's final Report to the Commission. In the discharge of such duties, the Hearing Examiner shall exercise all the inquisitorial powers possessed by the Commission, including, but not limited to, the power to administer oaths, require the appearance of witnesses and parties and the production of documents, schedule and conduct pre-hearing conferences, admit or exclude evidence, grant or deny continuances, and rule on motions, matters of law, and procedural questions. Any party objecting to any ruling or action of said Examiner shall make known its objection with reasonable certainty at the time of the ruling, and may argue such objections to the Commission as a part of its comments to the final report of said

Examiner; provided, however, if any ruling by the Examiner denies further participation by any party in interest in a proceeding not thereby concluded, such party shall have the right to file a written motion with the Examiner for his immediate certification of such ruling to the Commission for its consideration. Pending resolution by the Commission of any ruling so certified, the Examiner shall retain procedural control of the proceeding. Unless otherwise ordered, these Rules of Practice and Procedure shall apply to all proceedings conducted by Hearing Examiners in like manner as proceedings conducted by the Commission.

PART VIII
FORMAL HEARING

8:1. *Official Transcript of Hearing.* The official transcript of a formal hearing before the Commission shall be the transcript of the stenographic notes taken at the hearing by the Commission's regularly-employed court reporter and certified by him as a true and correct transcript of said proceeding. In the absence of the Commission's regular court reporter, the Commission will arrange for a suitable substitute whose certified transcript will be recognized as the official record. Parties desiring to purchase copies of the transcript of record shall make arrangement therefor directly with the Commission's reporter or substitute reporter. Stenographic notes are not transcribed unless specifically requested by the Commission or by some party in interest who wishes to purchase same. When the testimony is transcribed, a copy thereof is always lodged with the Clerk where it is available for public inspection. (In the event of appeal from the Commission action the full record must be certified by the Clerk.)

8:2. *Procedure at Hearing.* Except as otherwise provided in a particular case, hearings shall be conducted by and before the Commission substantially as follows:

(a) *Open the Hearing.* The presiding Commissioner shall call the hearing to order and thereafter shall give or cause to be given

(i) The title of the proceeding to be heard and its docket number;

(ii) The appearances of the parties, or their representatives, desiring to participate in the hearing which appearances shall be stated orally for the record and shall give the person's name, post office address, and the nature of his interest in the proceeding. Parties will not be permitted to appear "as one's interest may appear". Appearances will not be allowed for anyone who is not personally present and participating in the hearing. Interveners shall comply with Rule 4:7;

(iii) The introduction into the record of a copy of the notice stating the time, place and nature of the hearing, the date or dates such notice was given, and the method whereby it was served, together with any supporting affidavits which may be required;

(iv) A brief statement of the issues involved, or the nature and purpose of the hearing;

(v) Any motions, or other matters deemed appropriate by the presiding Commission, that should be disposed of prior to the taking of testimony; and

(vi) The presentation of evidence.

(b) *Order of Receiving Evidence.* Unless otherwise directed by the Commission, or unless provided for in special rules governing the particular case, direct evidence ordinarily will be received in the following order, followed by such rebuttal evidence as shall be necessary and proper:

(i) Upon Applications: (1) interveners, (2) applicant, (3) Commission's staff, (4) Division of Consumer Counsel, (5) protestants.

(ii) Upon Rules to Show Cause under Rule 4:11: (1) complainant, (2) Commission's staff, (3) Division of Consumer Counsel, (4) defendant.

(iii) Upon Hearing as provided under Rule 4:12: (1) Commission's staff, (2) Division of Consumer Counsel, (3) supporting interveners, (4) opposing interveners.

(iv) Upon Petition under Rule 3:4: (1) petitioner, (2) Commission's staff.

(c) *Exhibits.* Whenever exhibits are offered in evidence during a hearing, they will be received for identification and given an identifying number. All exhibits will be numbered consecutively beginning with the numeral "1", but will bear an identifying prefix such as "Applicant's", "Defendant's", "protestant's", the name or initials of the witness, etc. Exhibits will not be received in evidence until after cross-examination. Parties offering exhibits at the hearing (other than those whose size or physical character make it impractical) must be prepared to supply sufficient copies to provide one (1) each for the record, the court reporter, each Commissioner, and each Commission staff member and party or counsel actively participating in the hearing.

(d) *Cross-Examination and Rules of Evidence.* In all proceedings in which the Commission shall be called upon to decide or render judgment only in its capacity as a court of record, the common law and statutory rules of evidence shall be as observed and administered by the courts of record of this State. In all other proceedings, due regard shall be given to the technical and highly complicated subject matter the Commission must consider, and exclusionary rules of evidence shall not be used to prevent the receipt of evidence having substantial probative effect. Otherwise, effect shall be given to the rules of evidence recognized by the courts or record of this State. In all cases, cross-examination of witnesses shall first be by the Commission's counsel and then by the adverse parties, in such order as the Commission shall determine, limited as provided in PART IV hereof.

Ordinarily, cross-examination of a witness shall follow immediately after the direct examination. However, the Commission , as its discretion, may allow the cross-examination to be deferred until later in the hearing or postponed to a subsequent date. Repetitious cross-examination will not be allowed.

8:3. *Cumulative Evidence.* Evidence offered by a party may be excluded whenever in the opinion of the Commission such evidence is so repetitious and cumulative as to unnecessarily burden the record without materially adding to its probative qualtities. When a number of interveners present themselves at any hearing to testify to the same effect so that the testimony of the several witnesses would be substantially the same, the Commission may, at its discretion, cause one of such witnesses to testify under oath and all other witnesses to adopt under oath such testimony of the first witness. However, the proper parties shall have the right to cross-examine any witnesses who adopts the testimony of another and does not personally testify in detail.

8:4. *Judicial Notice.* The Commission will take judicial notice of such matters as may be judicially noticed by the court of this State, and the practice with reference thereto shall be the same before the Commission as before a court. In addition the Commission will take judicial notice of its own decisions, but not of the facts on which the decision was based.

8:5. *Prepared Statements.* A witness may read into the record as his testimony statements of fact prepared by him, or written answers to questions of counsel; provided, such statements or answers shall not include argument. At the discretion of the Commission, such statements or answers may be received in evidence as an exhibit to the same extent and in the same manner as other exhibits concerning factual matters. In all cases, before any such testimony is read or offered in evidence, one (1) copy each thereof shall be furnished for the record, the court reporter, each Commissioner, Commission staff member and party or counsel actively participating in the hearing. The admissibility of all such written statements or answers shall be subject to the same rules as if such testimony were offered in the usual manner.

8:6. *Objections.* Rule 5:21 of the Rules of the Supreme Court of Virginia declares that error will not be sustained to any ruling below unless the objection was stated with reasonable certainty at the time of the ruling, except for good cause shown or to enable the Court to attain the ends of justice.

8:7. *Oral Arguments.* The Commission at any formal hearing may require or allow oral argument on any issue presented for decision. In adversary proceedings thirty (30) minutes ordinarily will be allowed each side for oral argument; provided, however, the Commission may allow more or less time for such argument. The Commission may require, or grant requests for, oral argument on questions arising prior or subsequent to a formal hearing and fix the time and place for such argument. In all cases the Commission may limit the questions on which oral argument will be heard.

8:8. *Briefs.* Written briefs may be required or allowed at the discretion of the Commission. The time for filing briefs shall be fixed at the time they are required or authorized. For the purpose of expediting any proceeding wherein briefs are to be filed, the parties may be required to file their respective briefs on the same date, and, unless otherwise ordered by the Commission, reply briefs will not then be permitted or received. The time for filing reply briefs, if any, will be fixed by the Commission. Briefs should conform to the standards prescribed by Rule 5:33, Rules of the Supreme Court of Virginia. Five (5) copies shall be filed with the Clerk, unless otherwise ordered, and three (3) copies each shall be mailed or delivered to all other parties on or before the day on which the brief is filed. One or more counsel representing one party, or more than one party, shall be considered as one party.

8:9. *Petition for Rehearing or Reconsideration.* All final judgments, orders and decrees of the Commission, except judgments as prescribed by Code § 12.1-36, and except as provided in Code §§ 13.1-614 and 13.1-813, shall remain under the control of the Commission and subject to be modified or vacated for twenty-one (21) days after the date of entry, and no longer. A petition for a rehearing or reconsideration must be filed within said twenty-one (21) days, but the filing thereof will not suspend the execution of the judgment, order or decree, nor extend the time for taking an appeal, unless the Commission, solely at its discretion, within said twenty-one (21) days, shall provide for such suspension in an order or decree granting the petition. A petition for rehearing or reconsideration must be served on all other parties as provided by Rule 5:12, but no response to the petition, or oral argument thereon, will be entertained by the Commission. An order granting a rehearing or reconsideration will be served on all parties by the Clerk.

8:10. *Appeals Generally.* Any final finding, decision settling the substantive law, order, or judgment of the Commission may be appealed only to the Supreme Court of Virginia, subject to Code §§ 12.1-39, *et seq.*, and to Rule 5:21 of that Court. Suspension of Commission judgment, order or decree pending decision of appeal is governed by Code § 8.01-676.

Adopted: September 1, 1974
Revised: May 1, 1985 by Case No. CLK850262
Revised: August 1, 1986 by Case No. CLK860572

LEADING MATTERS DISPOSED OF BY FORMAL ORDERS

BUREAU OF FINANCIAL INSTITUTIONS

CASE NO. BAN19970829
JUNE 25, 1998

APPLICATION OF
ALLIANCE BANK CORPORATION (in organization)

For a certificate of authority to begin business as a bank at 12735 Shops Lane, Fairfax County, Virginia

This application was filed seeking to obtain a certificate of authority, under Chapter 2, Title 6.1 of the Code of Virginia, to begin business as a bank at 12735 Shops Lane, Fairfax County, Virginia. The application has been investigated by the Bureau of Financial Institutions.

Now having considered the application herein and the report of the investigation by the Bureau, the Commission is of the opinion and finds that the public interest will be served by additional banking facilities in Fairfax County, Virginia, where the applicant proposed to be located. Furthermore, the Commission ascertains, (in accordance with Section 6.1-13 of the Code,) with respect to the application:

(1) That all provisions of law have been complied with;

(2) That before the applicant may begin business financially responsible individuals will have subscribed for capital stock and surplus in an amount deemed sufficient to warrant successful operation;

(3) That the oaths of all directors have been taken and filed in accordance with the provisions of Section 6.1-48 of the Code of Virginia;

(4) That the applicant was formed for no reason other than a legitimate banking business;

(5) That the moral fitness, financial responsibility, and business qualifications of those named as officers and directors of the proposed bank are such as to command the confidence of the community in which the bank proposes to be located; and

(6) That the deposits of the proposed bank are to be insured by the Federal Deposit Insurance Corporation. And the Commission concludes that a certificate of authority should be granted.

ACCORDINGLY, IT IS ORDERED that a certificate of authority authorizing Alliance Bank Corporation to begin business as bank at 12735 Shops Lane, Fairfax County, Virginia be issued, and such a certificate hereby is issued, subject to and effective only upon the following conditions:

1. The applicant receives subscriptions to its stock offering of $7,907.000, including an additional $1.5 million in subscriptions, from financially responsible individuals within ninety days from this date, subscribed and distributed in a manner satisfactory to the Commissioner of Financial Institutions;

2. Before the bank opens for business, capital funds totaling $7,907,000 be paid into the bank and allocated as follows: $3,162,800 to capital stock and $4,744,200 to surplus;

3. The bank shall obtain insurance of accounts by the Federal Deposit Insurance Corporation prior to commencing business;

4. The applicant shall receive the approval of the Commissioner of Financial Institutions of the appointment of its chief executive officer and shall notify the Commissioner of the date the applicant is to be open for business; and

5. If for any reason the bank fails to open for business within one year from this date, the authority granted herein shall expire. Provided, however, that the Commission may renew or extend such authority by order entered prior to the expiration date.

CASE NO. BAN19970949
FEBRUARY 26, 1998

APPLICATION OF
SHORE BANK (A Virginia corporation)

For a certificate of authority as a state bank upon its conversion from a federal savings bank

ORDER GRANTING A CERTIFICATE OF AUTHORITY UPON THE CONVERSION

Shore Bank, a Virginia corporation, has applied pursuant to Section 6.1-194.35 of the Code of Virginia for a certificate of authority to begin business as a state-chartered commercial bank. The applicant seeks authority to operate as the successor institution to Shore Bank, an existing federal savings bank, upon the conversion of that institution to a state charter. The federal institution currently operates a main office at 25253 Lankford Highway, Onley, Accomack County, Virginia and five branch offices (listed below); it has total assets of some $110,000,000.

Having considered the application and the Bureau of Financial Institutions' report of investigation, the Commission finds that the applicant meets the requirements of Section 6.1-13 of the Code, namely that: (1) all applicable provisions of law have been complied with; (2) capital sufficient to warrant successful operation will be provided; (3) the oaths of directors have been duly taken; (4) the public interest will be served by the proposed additional banking facilities; (5) the applicant was formed to conduct a legitimate banking business; (6) the moral fitness, financial responsibility, and business qualifications of the applicant's officers and directors are such as to command the confidence of the community; and (7) the deposits of the bank will be insured by the Federal Deposit Insurance Corporation.

Accordingly, IT IS ORDERED THAT a certificate of authority to do a banking business as a state bank be issued, and such a certificate hereby is issued, to Shore Bank, a Virginia corporation, subject to the following conditions: (1) that the applicant receive shareholder approval of the conversion and any necessary regulatory approval; (2) that insurance of its deposit accounts by the Federal Deposit Insurance Corporation be obtained; (3) that the federal savings bank take such action as will terminate its existence as a federal savings institution when the conversion is effective; (4) that the resulting bank have initial capital stock of $2,000,000 and surplus and a reserve for operation of not less that $10,050,000; and (5) that the organizing Shore Bank notify that Bureau of the date on which it commences business as a state bank.

The authority to begin business as a state bank shall be effective when these conditions have been fulfilled and upon the conversion, i.e., the issuance by the Clerk of the Commission of a certificate merging Shore Bank, the federal savings bank, into Shore Bank, the Virginia corporation. At that time, Shore Bank, as a state bank, will have its main office at 25253 Lankford Highway, Onley, Accomack County, Virginia, and will be authorized to operate branch offices at the following locations: (1) 4071 Lankford Highway, Exmore, Northampton County, Virginia; (2) 21220 N. Bayside Drive, Cheriton, Northampton County, Virginia; (3) 6350 Maddox Boulevard, Chincoteague, Accomack County, Virginia; (4) 1503 S. Salisbury Boulevard, Salisbury, Maryland; and (5) 100 Downtown Plaza, Salisbury, Maryland. The bank will have one year from the date of conversion to conform its assets and operations to the laws regulating the operation of banks. This grant of authority, if not exercised, will expire six months from this date unless extended by Commission order.

CASE NO. BAN19970968
JANUARY 5, 1998

APPLICATION OF
DANIEL C. ELDER

Pursuant to Section 6.1-416.1 of the Code of Virginia

ORDER APPROVING THE ACQUISITION

ON A FORMER DAY came Daniel C. Elder, Virginia Beach, Virginia, and filed his application, as required by Virginia Code Section 6.1-416.1, to acquire 25 percent or more of the voting shares of Mortgage First, Inc. Thereupon the application was referred to the Bureau of Financial Institutions for investigation.

Having considered the application and the report of investigation of the Bureau of Financial Institutions, the Commission is of the opinion and finds that there has been compliance with the prerequisites set forth in Virginia Code Section 6.1-416.1. Therefore, the Commission hereby approves the acquisition of 25 percent or more of the voting shares of Mortgage First, Inc. provided that the acquisition takes place within one year from this date and the applicant notifies the Bureau of the effective date within ten days thereof. This matter shall be placed among the ended cases.

CASE NO. BAN19970972
JANUARY 14, 1998

APPLICATION OF
VIRTUAL MORTGAGE NETWORK, INC.

Pursuant to Section 6.1-416.1 of the Code of Virginia

ORDER APPROVING THE ACQUISITION

ON A FORMER DAY came Virtual Mortgage Network, Inc., a Nevada corporation, and filed its application, as required by Virginia Code Section 6.1-416.1, to acquire 25 percent or more of the voting shares of Sutter Mortgage Corporation d/b/a Virtual Mortgage Transaction Network. Thereupon the application was referred to the Bureau of Financial Institutions for investigation.

Having considered the application and the report of investigation of the Bureau of Financial Institutions, the Commission is of the opinion and finds that there has been compliance with the prerequisites set forth in Virginia Code Section 6.1-416.1. Therefore, the Commission hereby approves the acquisition of 25 percent or more of the voting shares of Sutter Mortgage Corporation d/b/a Virtual Mortgage Transaction Network by Virtual Mortgage Network, Inc., provided that the acquisition takes place within one year from this date and the applicant notifies the Bureau of the effective date within ten days thereof. It is ordered that this matter be placed among the ended cases.

CASE NO. BAN19971009
JANUARY 20, 1998

APPLICATION OF
FIRST UNION CORPORATION

For permission to acquire Mentor Trust Company, Virginia

ORDER GRANTING PERMISSION

First Union Corporation ("First Union") filed an application pursuant to § 6.1-32.19 of the Code of Virginia to acquire the voting shares of Mentor Trust Company, Virginia ("Mentor"). First Union is a registered bank holding company with its headquarters in Charlotte, North Carolina. First Union has agreed to acquire and merge with Wheat First Butcher Singer, Inc. ("Wheat First"). Mentor, a wholly-owned subsidiary of Wheat First, is an "affiliated trust company", holding a certificate of authority under Article 3.2 of Chapter 2 of Title 6.1 of the Code. Wheat First and Mentor are located in Richmond, Virginia. The applicant, which is the parent of First Union Capital Markets Corp., a broker-dealer, proposes to merge Mentor into First Union National Bank within 90 days of the acquisition of Wheat First by First Union.

Having considered the application and the report of investigation of the Bureau of Financial Institutions, the Commission is of the opinion and finds that the applicant and its officers and directors have the financial responsibility, character, reputation, experience and general fitness to warrant belief that the business will be operated efficiently and fairly, in the public interest, and in accordance with law, and that the applicant is permitted by law to own an affiliated trust company. Accordingly, the Commission hereby gives permission for First Union Corporation to acquire the voting shares of Mentor Trust Company, Virginia, provided that the acquisition take place within one year from this date, and that the applicant notify the Bureau within ten days of (1) the effective date of the acquisition, and (2) the date Mentor is merged into First Union National Bank. There being nothing further to be done in this matter, it shall be placed among the ended cases.

CASE NO. BAN19971015
MARCH 23, 1998

APPLICATION OF
JAMES MONROE BANK

For a certificate of authority to begin business as a bank at 3033 Wilson Boulevard, Arlington County, Virginia

ON A FORMER DAY came the applicant and filed its application for a certificate of authority, under Chapter 2, Title 6.1 of the Code of Virginia, to begin business as a bank at 3033 Wilson Boulevard, Arlington County, Virginia. Thereupon the application was referred to the Commissioner of Financial Institutions for investigation and report.

NOW, ON THIS DAY, having considered the application herein and the investigation made by the Commissioner of Financial Institutions, the Commission is of the opinion and finds that the public interest will be served by additional banking facilities in Arlington County, Virginia, where the applicant bank is proposed. Furthermore, the Commission ascertains with respect to the application herein;

(1) That all provisions of law have been complied with;

(2) That financially responsible individuals have subscribed for capital stock, surplus and a reserve for operation in an amount deemed by the Commission to be sufficient to warrant successful operation;

(3) That the oaths of all directors have been taken and filed in accordance with the provisions of Section 6.1-48 of the Code of Virginia;

(4) That the applicant was formed for no reason other than a legitimate banking business;

(5) That the moral fitness, financial responsibility, and business qualifications of those named as officers and directors of the proposed bank are such as to command the confidence of the community in which the bank is proposed to be located; and

(6) That the applicant's deposits are to be insured by the Federal Deposit Insurance Corporation.

THEREFORE, IT IS ORDERED that a certificate of authority authorizing James Monroe Bank to do a banking business at 3033 Wilson Boulevard, Arlington County, Virginia be granted, and said certificate hereby is granted, subject to and contingent upon the following conditions being met before the bank opens for business:

1. That capital funds totaling $7,375,900 be paid into the bank and allocated as follows: $3,687,950 to capital stock, $1,843,975 to surplus, and $1,843,975 to a reserve for operation;

2. That the bank actually obtain insurance of its accounts by the Federal Deposit Insurance Corporation;

3. That the applicant receive approval of appointment of its chief executive officer from the Commissioner of Financial Institutions, and that it notify him of the date the applicant is to be open for business; and

4. That if, for any reason, the bank fails to open for business within one year from this date, the authority granted herein shall expire. Provided, however, that the Commission may renew or extend such authority by order entered prior to the expiration date.

CASE NO. BAN19971049
FEBRUARY 5, 1998

APPLICATION OF
BB&T CORPORATION, Winston-Salem, North Carolina

To acquire Life Bancorp, Inc.

ORDER OF APPROVAL

ON A FORMER DAY BB&T Corporation ("BB&T") applied pursuant to Article 11 of Chapter 3.01 of Title 6.1 of the Code of Virginia to acquire Life Bancorp, Inc. ("LBI"). BB&T is an out-of-state savings institution holding company within the meaning of Section 6.1-194.96. LBI is a savings institution holding company, the parent of Life Savings Bank, F.S.B., a Virginia savings institution headquartered in Norfolk, Virginia. The application was referred to the Bureau of Financial Institutions for investigation, and notice of the application was published in the Bureau's Weekly Information Bulletin dated December 19, 1997. No objection to the proposed acquisition was received.

Having considered the relevant statutes of Virginia and North Carolina and the report of the Bureau's investigation herein, the Commission is of the opinion and finds that the statutory prerequisite to approval of the application set forth in subsection B of Section 6.1-194.97 is met, namely: Life Savings Bank, F.S.B. has been in existence and continuously operating for more than two years.

Furthermore, the Commission determines, pursuant to Section 6.1-194.99, that (1) the proposed acquisition would not be detrimental to the safety or soundness of the applicant or LBI; (2) the applicant, its officers and directors, are qualified by character, experience, and financial responsibility to control and operate a Virginia savings institution; (3) the proposed acquisition would not be prejudicial to the interests of depositors, creditors, beneficiaries of fiduciary accounts, or shareholders of the applicant or of Life Savings Bank, F.S.B.; and (4) the acquisition is in the public interest. Therefore, the Commission hereby approves the acquisition of Life Bancorp, Inc. by BB&T Corporation.

There being nothing further to be done in this matter, it shall be placed among the ended cases.

CASE NO. BAN19980008
FEBRUARY 17, 1998

APPLICATION OF
MAINSTREET BANKGROUP INCORPORATED

Pursuant to Chapter 13 of Title 6.1 of the Code of Virginia

ORDER GIVING NOTICE OF INTENT NOT TO DISAPPROVE AN ACQUISITION

ON A FORMER DAY MainStreet BankGroup Incorporated, a Virginia corporation, applied as required by § 6.1-383.1 of the Code of Virginia to acquire 100 percent of the voting stock of Tysons Financial Corporation, McLean, Virginia. The application was referred to the Bureau of Financial Institutions.

Having considered the application and the report of the Bureau of Financial Institutions, the Commission is of the opinion and finds that there has been compliance with the prerequisites set forth in § 6.1-383.1 of the Code, and it finds further that no reasonable basis exists for taking any of the other actions permitted the Commission by § 6.1-383.2.

THEREFORE, the Commission hereby issues this notice of its intent not to disapprove the acquisition of 100 percent of the voting stock of Tysons Financial Corporation by MainStreet BankGroup Incorporated provided that the acquisition becomes effective within twelve months from this date, unless extended, and further provided the Bureau of Financial Institutions is notified, in writing, within ten days of the effective date of the acquisition. The Commission orders that this matter be placed among ended cases.

CASE NO. BAN19980062
FEBRUARY 17, 1998

APPLICATION OF
WACHOVIA CORPORATION

Pursuant to Section 6.1-406 of the Code of Virginia

ORDER APPROVING THE ACQUISITION

ON A FORMER DAY came Wachovia Corporation, Winston-Salem, North Carolina, and filed its notice, as required by the Virginia Code Section 6.1-406, to acquire Ameribank Bancshares, Inc., Hollywood, Florida, and its bank subsidiary, American Bank of Hollywood, Hollywood, Florida. The application was referred to the Bureau of Financial Institutions.

Having considered the aforesaid notice and the report herein of the Bureau of Financial Institutions, the Commission is of the opinion and finds that the proposed acquisition will not affect detrimentally the safety or soundness of any Virginia bank. Therefore, the Commission hereby approves the acquisition of Ameribank Bancshares, Inc. by Wachovia Corporation, provided that the acquisition takes place within one year from this date and the applicant notifies the Bureau of the effective date within ten days thereof. This matter shall be placed among the ended cases.

CASE NO. BAN19980065
FEBRUARY 17, 1998

APPLICATION OF
SPRUANCE CELLOPHANE CREDIT UNION

To merge into it ICI Employees Credit Union

ORDER APPROVING THE MERGER

Spruance Cellophane Credit Union filed an application to merge into it ICI Employees Credit Union, pursuant to the provisions of Section 6.1-225.27 of the Code of Virginia.

The plan of merger was reviewed by the Commissioner of Financial Institutions. The Commission has considered the application herein and the recommendation of the Commissioner of Financial Institutions and finds: (1) that the common bond of interest specified in the bylaws of Spruance Cellophane Credit Union, the surviving credit union, includes the common bonds of both credit unions; (2) that the plan of merger will promote the best interests of the members of the credit unions; and (3) that the members of the merging credit union and the board of directors of the surviving credit union have approved the plan of merger in accordance with applicable law.

THEREFORE, IT IS ORDERED that the merger of ICI Employees Credit Union into Spruance Cellophane Credit Union is approved, provided that the share accounts of the surviving credit union will be insured by the National Credit Union Share Insurance Fund and provided further that the merger, which will be effective when the Clerk issues a certificate of merger, shall be accomplished not later than one year from this date.

CASE NO. BAN19980066
FEBRUARY 26, 1998

APPLICATION OF
MERCANTILE BANKSHARES CORPORATION, Baltimore, Maryland

To acquire Marshall National Bank and Trust Company, Marshall, Virginia pursuant to Chapter 15 of Title 6.1 of the Virginia Code

ORDER APPROVING THE ACQUISITION

Mercantile Bankshares Corporation, a bank holding company headquartered in Baltimore, Maryland, filed an application pursuant to Chapter 15 of Title 6.1 of the Code of Virginia to acquire Marshall National Bank and Trust Company, a Virginia bank (as defined in Section 6.1-398 of the Virginia Code) headquartered in Marshall, Fauquier County, Virginia. The application was referred to the Bureau of Financial Institutions for investigation. Notice of the application was published in the Bureau's Weekly Information Bulletin dated January 23, 1998. No objection to the proposed acquisition was received.

Having considered the application and the report of the investigation of the Bureau, the Commission finds that (1) the proposed acquisition will not be detrimental to the safety and soundness of Mercantile Bankshares Corporation or Marshall National Bank and Trust Company; (2) the applicant, and its officers and directors, are qualified by character, experience and financial responsibility to control and operate a Virginia bank; (3) the proposed acquisition will not be prejudicial to the interests of depositors, creditors, beneficiaries of fiduciary accounts or shareholders of Mercantile Bankshares Corporation or Marshall National Bank and Trust Company; and (4) the acquisition is in the public interest. The Commission further finds that the prerequisites set forth in subsection B of Section 6.1-399 of the Code of Virginia are met in this case, and that no condition, restriction, requirement or other limitation of the kind referred to in subdivision B 2 of Section 6.1-399 is present.

Therefore, the Commission hereby approves the application of Mercantile Bankshares Corporation to acquire Marshall National Bank and Trust Company. The authority granted herein shall expire one year from this date, unless extended by Commission order prior to the expiration date. This matter shall be placed among the ended cases.

CASE NO. BAN19980067
MARCH 9, 1998

APPLICATION OF
ONE VALLEY BANCORP, INC., Charleston, West Virginia

To acquire FFVA Financial Corporation

ORDER OF APPROVAL

ON A FORMER DAY One Valley Bancorp, Inc. ("One Valley") applied pursuant to Article 11 of Chapter 3.01 of Title 6.1 of the Code of Virginia to acquire FFVA Financial Corporation ("FFVA"). One Valley is an out-of-state savings institution holding company within the meaning of Section 6.1-194.96. FFVA is a savings institution holding company, the parent of First Federal Savings Bank of Lynchburg, a Virginia savings institution headquartered in Lynchburg, Virginia. The application was referred to the Bureau of Financial Institutions for investigation, and notice of the application was published in the Bureau's Weekly Information Bulletin dated January 23, 1998. No objection to the proposed acquisition was received.

Having considered the relevant statutes of Virginia and West Virginia and the report of the Bureau's investigation herein, the Commission is of the opinion and finds that the statutory prerequisite to approval of the application set forth in subsection A of Section 6.1-194.97 is met, namely: First Federal Savings Bank of Lynchburg has been in existence and continuously operating for more than two years.

Furthermore, the Commission determines, pursuant to Section 6.1-194.99, that (1) the proposed acquisition would not be detrimental to the safety or soundness of the applicant or FFVA; (2) the applicant, its officers and directors, are qualified by character, experience, and financial responsibility to control and operate a Virginia savings institution; (3) the proposed acquisition would not be prejudicial to the interests of depositors, creditors, beneficiaries of fiduciary accounts, or shareholders of the applicant or of First Federal Savings Bank of Lynchburg; and (4) the acquisition is in the public interest. Therefore, the Commission hereby approves the acquisition of FFVA Financial Corporation by One Valley Bancorp, Inc.

There being nothing further to be done in this matter, it shall be placed among the ended cases.

CASE NO. BAN19980077
MARCH 30, 1998

APPLICATION OF
FIRST COLONIAL BANK (A Virginia corporation)

For a certificate of authority as a state bank upon its conversion from a federal savings bank

ORDER GRANTING A CERTIFICATE OF AUTHORITY UPON THE CONVERSION

First Colonial Bank, a Virginia corporation, has applied pursuant to Section 6.1-194.35 of the Code of Virginia for a certificate of authority to begin business as a state-chartered commercial bank. The applicant seeks authority to operate as the successor institution to First Colonial Bank, Federal Savings Bank, upon the conversion of that institution to a state charter. The federal institution currently operates a main office at 5100 Oaklawn Boulevard, Prince George County, Virginia and five branch offices (listed below); it has total assets of some $151,100.000.

Having considered the application and the Bureau of Financial Institutions' report of investigation, the Commission finds that the applicant meets the requirements of Section 6.1-13 of the Code, namely that: (1) all applicable provisions of law have been complied with; (2) capital sufficient to warrant successful operation will be provided; (3) the oaths of directors have been duly taken; (4) the public interest will be served by the proposed additional banking facilities; (5) the applicant was formed to conduct a legitimate banking business; (6) the moral fitness, financial responsibility, and business qualifications of the applicant's officers and directors are such as to command the confidence of the community; and (7) the deposits of the bank will be insured by the Federal Deposit Insurance Corporation.

Accordingly, IT IS ORDERED THAT a certificate of authority to do a banking business as a state bank be issued, and such a certificate hereby is issued, to First Colonial Bank, subject to the following conditions: (1) that the applicant receive any necessary regulatory approval; (2) that insurance of its deposit accounts by the Federal Deposit Insurance Corporation be obtained; (3) that the federal savings bank take such action as will terminate its existence as a federal savings institution when the conversion is effective; (4) that the resulting bank have initial capital stock of $2,000,000 and

surplus and a reserve for operation of not less that $8,800,000; and (5) that the organizing First Colonial Bank notify that Bureau of the date on which it commences business as a state bank.

The authority to begin business as a state bank shall be effective when these conditions have been fulfilled and upon the conversion, i.e., the issuance by the Clerk of the Commission of a certificate merging First Colonial Bank, Federal Savings Bank, into First Colonial Bank. At that time, First Colonial Bank, as a state bank, will have its main office at 5100 Oaklawn Boulevard, Prince George County, Virginia, and will be authorized to operate branch offices at the following locations: (1) 1883 South Crater Road, City of Petersburg, Virginia; (2) 2208 Boulevard, City of Colonial Heights, Virginia; (3) 26901 Cox Road, Dinwiddie County, Virginia; (4) 1421 West City Point Road, City of Hopewell, Virginia; and (5) 11310 Iron Bridge Road, Chester, Chesterfield County, Virginia (authorized to relocate to 4221 West Hundred Road, Chester, Chesterfield County, Virginia). The bank will have one year from the date of conversion to conform its assets and operations to the laws regulating the operation of banks. This grant of authority, if not exercised, will expire six months from this date unless extended by Commission order.

CASE NO. BAN19980115
FEBRUARY 27, 1998

APPLICATION OF
SHORE FINANCIAL CORPORATION

Pursuant to Chapter 13 of Title 6.1 of the Code of Virginia

ORDER GIVING NOTICE OF INTENT NOT TO DISAPPROVE AN ACQUISITION

ON A FORMER DAY Shore Financial Corporation, a Virginia corporation, applied as required by § 6.1-383.1 of the Code of Virginia to acquire 100 percent of the voting stock of Shore Bank, Onley, Virginia. The application was referred to the Bureau of Financial Institutions.

Having considered the application and the report of the Bureau of Financial Institutions, the Commission is of the opinion and finds that there has been compliance with the prerequisites set forth in § 6.1-383.1 of the Code, and it finds further that no reasonable basis exists for taking any of the other actions permitted the Commission by § 6.1-383.2.

THEREFORE, the Commission hereby issues this notice of its intent not to disapprove the acquisition of 100 percent of the voting stock of Shore Bank by Shore Financial Corporation provided that the acquisition becomes effective within twelve months from this date, unless extended, and further provided the Bureau of Financial Institutions is notified, in writing, within ten days of the effective date of the acquisition. The Commission orders that this matter be placed among ended cases.

CASE NO. BAN19980125
MARCH 30, 1998

APPLICATION OF
F & M BANK-RICHMOND, Richmond, Virginia

For a certificate of authority to do a banking and trust business following a merger with Peoples Bank of Virginia, and for authority to operate the authorized offices of the merging banks

ORDER APPROVING THE MERGER

F & M Bank-Richmond, a state-chartered bank with its main office at 9401 West Broad Street, Henrico County, Virginia, has applied pursuant to Section 6.1-44 of the Code of Virginia for a certificate of authority to do a banking and trust business following a merger with Peoples Bank of Virginia, Chesterfield, Virginia. F & M Bank-Richmond proposes to be the surviving bank in the merger, and seeks authority to operate all the currently-authorized offices of the merging banks. The application was referred to the Bureau of Financial Institutions for investigation.

The Commission, having considered the application herein and the report of the Bureau's investigation, is of the opinion that a certificate of authority should be issued to the applicant, and with respect to the application the Commission finds: (1) that all the provisions of law have been complied with; (2) that the surviving bank's capital stock will be $5,863,760 and its surplus and reserve for operations will be not less than $17,414,965; (3) that the public interest will be served by the applicant's banking facilities in the communities where the applicant proposed to be; (4) that the oaths of all directors have been taken and filed in accordance with Section 6.1-48; (5) that the bank will conduct a legitimate banking business; (6) that the moral fitness, financial responsibility and business qualifications of those named as officers and directors are such as to command the confidence of the community; and (7) that the bank's deposits will be insured by the Federal Deposit Insurance Corporation.

Furthermore, the Commission is of the opinion and finds that the public interest will be served by authorizing F & M Bank-Richmond to engage in the banking and trust business and to operate all the currently-authorized offices of the merging banks.

Accordingly IT IS ORDERED THAT a certificate of authority to do a banking and trust business be granted to F & M Bank-Richmond, and such a certificate is hereby granted, effective upon the Clerk's issuing a certificate of merger, merging Peoples Bank of Virginia into F & M Bank-Richmond. AND IT IS FURTHER ORDERED that, upon the merger of Peoples Bank of Virginia into F & M Bank-Richmond, the surviving bank is authorized to operate a main office at 9401 West Broad Street, Henrico County, Virginia, and branches at all the previously-authorized office locations of the merging banks. The offices of Peoples Bank of Virginia are listed in Attachment A. The authority granted herein shall expire one year from this date, unless extended by Commission order prior to the expiration date.

There being nothing further to be done in this matter, it shall be placed among the ended cases.

NOTE: A copy of Attachment A entitled "Offices of Peoples Bank of Virginia" is on file and may be examined at the State Corporation Commission, Bureau of Financial Institutions, Tyler Building, 1300 East Main Street, Richmond, Virginia.

CASE NO. BAN19980158
MARCH 30, 1998

APPLICATION OF
JAMES RIVER BANKSHARES, INC.

Pursuant to Chapter 13 of Title 6.1 of the Code of Virginia

ORDER GIVING NOTICE OF INTENT NOT TO DISAPPROVE AN ACQUISITION

ON A FORMER DAY James River Bankshares, Inc., a Virginia corporation, applied as required by § 6.1-383.1 of the Code of Virginia to acquire 100 percent of the voting stock of First Colonial Bank, Hopewell, Virginia. The application was referred to the Bureau of Financial Institutions.

Having considered the application and the report of the Bureau of Financial Institutions, the Commission is of the opinion and finds that there has been compliance with the prerequisites set forth in § 6.1-383.1 of the Code, and it finds further that no reasonable basis exists for taking any of the other actions permitted the Commission by § 6.1-383.2.

THEREFORE, the Commission hereby issues this notice of its intent not to disapprove the acquisition of 100 percent of the voting stock of First Colonial Bank by James River Bankshares, Inc. provided that the acquisition becomes effective within twelve months from this date, unless extended, and further provided the Bureau of Financial Institutions is notified, in writing, within ten days of the effective date of the acquisition. The Commission orders that this matter be placed among ended cases.

CASE NO. BAN19980182
MAY 1, 1998

APPLICATION OF
AMERICAN BUSINESS CREDIT OF PENNSYLVANIA, INC.
(USED IN VA BY: AMERICAN BUSINESS CREDIT, INC.)

Pursuant to Section 6.1-416.1 of the Code of Virginia

ORDER APPROVING THE ACQUISITION

ON A FORMER DAY came American Business Credit of Pennsylvania, Inc. (Used in VA by: American Business Credit, Inc.), Bala Cynwyd, Pennsylvania, and filed its application, as required by Virginia Code Section 6.1-416.1, to acquire 25 percent or more of the voting shares of New Jersey Mortgage and Investment Corp. Thereupon the application was referred to the Bureau of Financial Institutions for investigation.

Having considered the application and the report of investigation of the Bureau of Financial Institutions, the Commission is of the opinion and finds that there has been compliance with the prerequisites set forth in Virginia Code Section 6.1-416.1. Therefore, the Commission hereby approves the acquisition of 25 percent or more of the voting shares of New Jersey Mortgage and Investment Corp. by American Business Credit of Pennsylvania, Inc. (Used in VA by: American Business Credit, Inc.) and orders that this matter be placed among the ended cases.

CASE NO. BAN19980189
OCTOBER 26, 1998

APPLICATION OF
FIRST CAPITAL BANK

For a certificate of authority to begin business as a bank at 4101 Dominion Boulevard, Henrico County, Virginia

ON A FORMER DAY came the applicant and filed its application for a certificate of authority, under Chapter 2, Title 6.1 of the Code of Virginia, to begin business as a bank at 4101 Dominion Boulevard, Henrico County, Virginia. Thereupon the application was referred to the Bureau of Financial Institutions for an investigation and report.

NOW, having considered the application herein and the report of the investigation made by the Bureau, the Commission is of the opinion and finds that the public interest will be served by additional banking facilities in Henrico County, Virginia, where the applicant bank is proposed. Furthermore, the Commission ascertains with respect to the application herein:

(1) That all applicable provisions of law have been complied with;

(2) That financially responsible individuals have subscribed for capital stock and surplus in an amount deemed by the Commission to be sufficient to warrant successful operation;

(3) That the oaths of all directors have been taken and filed in accordance with the provisions of Section 6.1-48 of the Code of Virginia;

(4) That the applicant was formed for no reason other than a legitimate banking business;

(5) That the moral fitness, financial responsibility, and business qualifications of those named as officers and directors of the proposed bank are such as to command the confidence of the community in which the bank is proposed to be located; and

(6) That the applicant's deposits are to be insured by the Federal Deposit Insurance Corporation.

THEREFORE, IT IS ORDERED that a certificate of authority authorizing First Capital Bank to do a banking business at 4101 Dominion Boulevard, Henrico County, Virginia be granted, and a certificate of authority hereby is granted, subject to and contingent upon the following conditions being met before the bank opens for business:

1. That capital funds totaling $7,686,120 be paid in to the bank and allocated as follows: $3,074,448 to capital stock and $4,611,672 to surplus;

2. That the bank actually obtain insurance of its accounts by the Federal Deposit Insurance Corporation; and

3. That the applicant receive approval of the appointment of its chief executive officer from the Commissioner of Financial Institutions, and that the bank notify him of the date the applicant is to be open for business.

If, for any reason, the bank should fail to open for business within one year from this date, the authority granted herein shall expire. However, the Commission may renew or extend such authority by order entered prior to the expiration date.

CASE NO. BAN19980257
MAY 14, 1998

APPLICATION BY
BRANCH BANKING AND TRUST COMPANY OF VIRGINIA

To merge into itself Life Savings Bank, F.S.B.

Branch Banking and Trust Company of Virginia, a state-chartered bank with its main office at 3450 Pacific Avenue, City of Virginia Beach, Virginia, applied pursuant to Virginia Code § 6.1-194.40 to merge into itself Life Savings Bank, F.S.B., a federal association. At the time of the merger, Branch Banking and Trust Company of Virginia will designate as its main office the current main office of Life Savings Bank, F.S.B. at 109 East Main Street, City of Norfolk, Virginia. The application was referred to the Bureau of Financial Institutions for investigation.

Upon consideration of the application and the report of investigation of the Bureau, the Commission is of the opinion and finds that the merger of Life Savings Bank, F.S.B. into Branch Banking and Trust Company of Virginia should be approved. In connection with the application, the Commission finds that the resulting entity will do business as a bank, and that the applicant, Branch Banking and Trust Company of Virginia meets, and as the resulting bank, will meet the standards established by Virginia Code § 6.1-13.

ACCORDINGLY, IT IS ORDERED that the application of Branch Banking and Trust Company of Virginia to merge into itself Life Savings Bank, F.S.B. is approved. AND IT IS FURTHER ORDERED that, upon the merger of Life Savings Bank, F.S.B. into Branch Banking and Trust Company of Virginia, the resulting bank is authorized to operate a main office at 109 East Main Street, City of Norfolk, Virginia, and branches at all the previously-authorized office locations of the merging institutions. (A list of the currently authorized offices of Life Savings Bank, F.S.B. is attached.) Within one year of the merger, as provided by law, the resulting bank shall conform its assets and operations to the provisions of law regulating the operation of banks. The authority granted herein shall expire one year from this date, unless extended by Commission order prior to the expiration date.

The merger approved by this order shall be effective upon the issuance by the Clerk of a certificate merging Life Savings Bank, F.S.B. into Branch Banking and Trust Company of Virginia.

NOTE: A copy of the Attachment is on file and may be examined at the State Corporation Commission, Bureau of Financial Institutions, Tyler Building, 1300 East Main Street, Richmond, Virginia.

CASE NO. BAN19980294
MAY 8, 1998

APPLICATION OF
CARDINAL FINANCIAL CORPORATION

Pursuant to Title 6.1, Chapter 13, Code of Virginia

ORDER GIVING NOTICE OF INTENT NOT TO DISAPPROVE AN ACQUISITION

ON A FORMER DAY came Cardinal Financial Corporation, Fairfax, Virginia, and filed its application, as required by Virginia Code Section 6.1-383.1, to acquire 100 percent of the voting shares of Cardinal Bank, N.A., Fairfax, Virginia. Thereupon the application was referred to the Bureau of Financial Institutions.

Having considered the application and the report of the Bureau of Financial Institutions, the Commission is of the opinion and finds that there has been compliance with the prerequisites set forth in Virginia Code Section 6.1-383.1, and it finds further that no reasonable basis exists for taking any of the other actions permitted the Commission by the provisions of Section 6.1-383.2 of the Code.

THEREFORE, the Commission hereby issues this notice of its intent not to disapprove the acquisition of 100 percent of the voting shares of Cardinal Bank, N.A. by Cardinal Financial Corporation, provided that the acquisition takes place within one year from this date and the applicant notifies the Bureau of the effective date within ten days thereof. It is ordered that this matter be placed among the ended cases.

CASE NO. BAN19980321
MAY 18, 1998

APPLICATION OF
MAINSTREET BANKGROUP INCORPORATED

Pursuant to Chapter 13 of Title 6.1 of the Code of Virginia

ORDER GIVING NOTICE OF INTENT NOT TO DISAPPROVE AN ACQUISITION

ON A FORMER DAY MainStreet BankGroup Incorporated, a Virginia corporation, applied as required by § 6.1-383.1 of the Code of Virginia to acquire 100 percent of the voting stock of Ballston Bancorp, Inc. and its bank subsidiary, The Bank of Northern Virginia, Arlington, Virginia. The application was referred to the Bureau of Financial Institutions.

Having considered the application and the report of the Bureau of Financial Institutions, the Commission is of the opinion and finds that there has been compliance with the prerequisites set forth in § 6.1-383.1 of the Code, and it finds further that no reasonable basis exists for taking any of the other actions permitted the Commission by § 6.1-383.2.

THEREFORE, the Commission hereby issues this notice of its intent not to disapprove the acquisition of 100 percent of the voting stock of Ballston Bancorp, Inc. and The Bank of Northern Virginia by MainStreet BankGroup Incorporated provided that the acquisition becomes effective within twelve months from this date, unless extended, and further provided the Bureau of Financial Institutions is notified, in writing, within ten days of the effective date of the acquisition. The Commission orders that this matter be placed among ended cases.

CASE NO. BAN19980358
MAY 26, 1998

APPLICATION OF
BRADFORD L. HUSTEAD

Pursuant to Section 6.1-416.1 of the Code of Virginia

ORDER APPROVING THE ACQUISITION

ON A FORMER DAY came Bradford L. Hustead, Richmond, Virginia, and filed his application, as required by Virginia Code Section 6.1-416.1, to acquire 25 percent or more of the voting shares of Sterling Mortgage Corporation. Thereupon the application was referred to the Bureau of Financial Institutions for investigation.

Having considered the application and the report of investigation of the Bureau of Financial Institutions, the Commission is of the opinion and finds that there has been compliance with the prerequisites set forth in Virginia Code Section 6.1-416.1. Therefore, the Commission hereby approves the acquisition of 25 percent or more of the voting shares of Sterling Mortgage Corporation by Bradford L. Hustead and orders that this matter be placed among the ended cases.

CASE NO. BAN19980475
JUNE 17, 1998

APPLICATION OF
UNION BANKSHARES CORPORATION

Pursuant to Chapter 13 of Title 6.1 of the Code of Virginia

ORDER GIVING NOTICE OF INTENT NOT TO DISAPPROVE AN ACQUISITION

ON A FORMER DAY Union Bankshares Corporation, a Virginia corporation, applied as required by § 6.1-383.1 of the Code of Virginia to acquire 100 percent of the voting stock of Rappahannock Bankshares, Inc. and its bank subsidiary, The Rappahannock National Bank of Washington, Washington, Virginia. The application was referred to the Bureau of Financial Institutions.

Having considered the application and the report of the Bureau of Financial Institutions, the Commission is of the opinion and finds that there has been compliance with the prerequisites set forth in § 6.1-383.1 of the Code, and it finds further that no reasonable basis exists for taking any of the other actions permitted the Commission by § 6.1-383.2.

THEREFORE, the Commission hereby issues this notice of its intent not to disapprove the acquisition of 100 percent of the voting stock of Rappahannock Bankshares, Inc. and The Rappahannock National Bank of Washington by Union Bankshares Corporation provided that the acquisition becomes effective within twelve months from this date, unless extended, and further provided the Bureau of Financial Institutions is notified, in writing, within ten days of the effective date of the acquisition. The Commission orders that this matter be placed among the ended cases.

CASE NOS. BAN19980561, BAN19980562, and BAN19980563
SEPTEMBER 24, 1998

APPLICATIONS OF
NEW PEOPLES BANK, INC.

For a certificate of authority to begin business as a bank at State Route 80 and Gent Street, Honaker, Russell County, Virginia and for authority to establish branches at 131 U.S. Route 23 South, Weber City, Scott County, Virginia and 102 Miners Drive, Castlewood, Russell County, Virginia

ORDER GRANTING AUTHORITY

On A FORMER DAY New Peoples Bank, Inc., a Virginia corporation, applied for a certificate of authority, under Chapter 2, Title 6.1 of the Code of Virginia, to begin business as a bank at State Route 80 and Gent Street, Honaker, Russell County, Virginia. At the same time the applicant sought authority to establish branches at 131 U.S. Route 23 South, Weber City, Scott County, Virginia and 102 Miners Drive, Castlewood, Russell County, Virginia. Thereupon the applications were referred to the Bureau of Financial Institutions for investigation.

NOW having considered the applications herein and the report of investigation of the Bureau, the Commission is of the opinion and finds that the public interest will be served by additional banking facilities in Russell County and Scott County, Virginia, where the applicant proposes to establish banking offices. Furthermore, the Commission ascertains with respect to the application for a certificate of authority herein:

(1) That all applicable provisions of law have been complied with;

(2) That financially responsible individuals have subscribed for capital stock and surplus in an amount deemed by the Commission to be sufficient to warrant successful operation;

(3) That the oaths of all directors have been taken and filed in accordance with the provisions of § 6.1-48 of the Code of Virginia;

(4) That the applicant was formed for no reason other than a legitimate banking business;

(5) That the moral fitness, financial responsibility, and business qualifications of those named as officers and directors of the proposed bank are such as to command the confidence of the community in which the bank is proposed to be located; and

(6) That the applicant's deposits are to be insured by the Federal Deposit Insurance Corporation.

IT IS THEREFORE ORDERED that a certificate of authority authorizing New Peoples Bank, Inc. to do a banking business with its main office at State Route 80 and Gent Street, Honaker, Russell County, Virginia be granted, and a certificate of authority hereby is granted, subject to and contingent upon the following conditions being met before the bank opens for business:

1. That capital funds totaling $11,249,640 be paid in to the bank and allocated as follows: $4,499,856 to capital stock and $6,749,784 to surplus;

2. That the bank actually obtain insurance of its accounts by the Federal Deposit Insurance Corporation; and

3. That the applicant receive from the Commissioner of Financial Institutions approval of its appointment of a chief executive officer and that the bank notify the Commissioner of the date the applicant is to be open for business.

If, for any reason, the bank should fail to open for business within one year from this date, all authorities granted herein shall expire. However, the Commission may renew or extend such authority by order entered prior to the expiration date.

The Commission also finds with respect to the proposed branches that, upon receipt of the capital funds specified above, the bank will have paid up and unimpaired capital sufficient to warrant such proposed expansion. THEREFORE IT IS ORDERED that New Peoples Bank, Inc. be authorized to establish and operate branches at 131 U.S. Route 23 South, Weber City, Scott County, Virginia and 102 Miners Drive, Castlewood, Russell County, Virginia.

There being nothing further to be done in this matter, these cases shall be placed among the ended causes.

CASE NO. BAN19980566
JUNE 5, 1998

APPLICATION OF
BB&T CORPORATION

Pursuant to Section 6.1-406 of the Code of Virginia

ORDER APPROVING THE ACQUISITION

ON A FORMER DAY came BB&T Corporation, Winston-Salem, North Carolina, and filed its notice, as required by the Virginia Code Section 6.1-406, to acquire BB&T Bankcard Corporation, in organization, Columbus, Georgia. The application was referred to the Bureau of Financial Institutions.

Having considered the aforesaid notice and the report herein of the Bureau of Financial Institutions, the Commission is of the opinion and finds that the proposed acquisition will not affect detrimentally the safety or soundness of any Virginia bank. Therefore, the Commission hereby approves the acquisition of BB&T Bankcard Corporation by BB&T Corporation, provided that the acquisition takes place within one year from this date and the applicant notifies the Bureau of the effective date within ten days thereof. This matter shall be placed among the ended cases.

CASE NO. BAN19980588
AUGUST 28, 1998

APPLICATION OF
SENTINEL INTERIM BANK

For a certificate of authority to begin business as a bank at 315 Railroad Avenue, Richlands, Tazewell County, Virginia and to operate a branch office upon the merger of First Sentinel Bank into Sentinel Interim Bank, under the charter of Sentinel Interim Bank and title of First Sentinel Bank

ON A FORMER DAY Sentinel Interim Bank applied to the Commission for a certificate of authority to begin business as a bank at 315 Railroad Avenue, Richlands, Tazewell County, Virginia, and for authority to operate the above main office and a branch office of First Sentinel Bank located at East Riverside Drive and Valley View, Tazewell County, Virginia. The application, with supporting documents and information, was referred to the Bureau of Financial Institutions for an investigation and report.

The Bureau has submitted its report of investigation, which states that the authorizations sought herein are steps to facilitate the establishment of a holding company through the acquisition of First Sentinel Bank by the newly incorporated First Region Bancshares, Inc., pursuant to Chapter 13 of Title 6.1 of the Code of Virginia. First Sentinel Bank will merge into Sentinel Interim Bank and the resulting bank will be re-named "First Sentinel Bank".

AND THE COMMISSION, having considered the application herein and the recommendation of the Commissioner of Financial Institutions, is of the opinion that a certificate of authority to begin business as a bank should be issued to Sentinel Interim Bank. The Commission finds: (1) that all the applicable provisions of law have been complied with; (2) that the stock of the interim bank has been subscribed, and that the capital of the resulting bank will be an amount deemed sufficient for successful operation, i.e., capital stock, surplus and a reserve for operations of not less than $4,779,000; (3) that the oaths of all directors have been taken and filed in accordance with the provisions of Section 6.1-48 of the Code of Virginia; (4) that in its opinion, the public interest will be served by having banking facilities of the applicant in the community where it proposes to be; (5) that the applicant was formed for no other reason than a legitimate banking business; (6) that the moral fitness, financial responsibility and business qualifications of those named as officers and directors of the applicant are such as to command the confidence of the community in which the applicant will be located; and (7) that its deposits are to be insured by the Federal Deposit Insurance Corporation.

THE COMMISSION furthermore is of the opinion and finds that the public interest will be served by permitting the resulting First Sentinel Bank to operate, following the merger, the main office and a branch office heretofore authorized. The merger, and the authority to operate the resulting bank and branch granted herein, will be effective upon the issuance by the Commission of a certificate of merger effecting the merger of First Sentinel Bank into Sentinel Interim Bank, and a certificate of amendment and restatement changing the name of Sentinel Interim Bank to "First Sentinel Bank".

ACCORDINGLY IT IS ORDERED:

That a certificate of authority be granted to Sentinel Interim Bank, and a certificate is hereby granted. And it is further ordered that, upon the merger of First Sentinel Bank into Sentinel Interim Bank, the resulting bank, re-named "First Sentinel Bank", be authorized to operate at 315 Railroad

Avenue, Richlands, Tazewell County, Virginia, with the branch office listed above, and such authority hereby is granted. The authority granted herein shall expire if not exercised within one year unless extended prior to that date by Commission order.

CASE NO. BAN19980688
AUGUST 28, 1998

APPLICATION OF
HERITAGE BANCORP, INC.

Pursuant to Chapter 13 of Title 6.1 of the Code of Virginia

ORDER GIVING NOTICE OF INTENT NOT TO DISAPPROVE AN ACQUISITION

ON A FORMER DAY Heritage Bancorp, Inc., a Virginia corporation, applied as required by § 6.1-383.1 of the Code of Virginia to acquire 100 percent of the voting stock of Heritage Bank, McLean, Virginia. The application was referred to the Bureau of Financial Institutions.

Having considered the application and the report of the Bureau of Financial Institutions, the Commission is of the opinion and finds that there has been compliance with the prerequisites set forth in § 6.1-383.1 of the Code, and it finds further that no reasonable basis exists for taking any of the other actions permitted the Commission by § 6.1-383.2.

THEREFORE, the Commission hereby issues this notice of its intent not to disapprove the acquisition of 100 percent of the voting stock of Heritage Bank by Heritage Bancorp, Inc. provided that the acquisition becomes effective within twelve months from this date, unless extended, and further provided the Bureau of Financial Institutions is notified, in writing, within ten days of the effective date of the acquisition. The Commission orders that this matter be placed among the ended cases.

CASE NO. BAN19980726
SEPTEMBER 2, 1998

APPLICATION OF
JANE F. DUVALL

Pursuant to Section 6.1-416.1 of the Code of Virginia

ORDER APPROVING THE ACQUISITION

ON A FORMER DAY came Jane F. Duvall, Ellicott City, Maryland, and filed her application, as required by Virginia Code Section 6.1-416.1, to acquire 25 percent or more of the voting shares of Chesapeake Mortgage Services, Inc. Thereupon the application was referred to the Bureau of Financial Institutions for investigation.

Having considered the application and the report of investigation of the Bureau of Financial Institutions, the Commission is of the opinion and finds that there has been compliance with the prerequisites set forth in Virginia Code Section 6.1-416.1. Therefore, the Commission hereby approves the acquisition of 25 percent or more of the voting shares of Chesapeake Mortgage Services, Inc. by Jane F. Duvall and orders that this matter be placed among the ended cases.

CASE NO. BAN19980733
AUGUST 18, 1998

APPLICATION OF
FARMERS & MERCHANTS BANK-EASTERN SHORE, Onley, Virginia

For a certificate of authority to do a banking business following a merger with The Eastville Bank and for authority to operate the authorized offices of the merging banks

ORDER GRANTING AUTHORITY

Farmers & Merchants Bank-Eastern Shore, a state-chartered bank with its main office at 25275 Lankford Highway, Onley, Accomack County, Virginia, has applied pursuant to Section 6.1-44 of Virginia Code for a certificate of authority to do a banking business following a merger with The Eastville Bank, Eastville, Virginia, under the charter and title of Farmers & Merchants Bank-Eastern Shore. Authority is sought for the bank resulting from the merger to operate all the currently-authorized offices of the merging banks. The application was referred to the Bureau of Financial Institutions for investigation.

The Commission, having considered the application herein and the report of the Bureau's investigation, is of the opinion that a certificate of authority should be issued, and with respect to the application the Commission finds: (1) that all the provisions of law have been complied with; (2) that the capital stock of the resulting bank will be $3,600,000 and its surplus will be not less than $28,198,000; (3) that the public interest will be served by the banking facilities of the resulting bank in the communities where it is proposed to be; (4) that the oaths of all directors have been taken and filed in

accordance with Section 6.1-48; (5) that the bank will conduct a legitimate banking business; (6) that the moral fitness, financial responsibility and business qualifications of those named as officers and directors are such as to command the confidence of the community; and (7) that the deposits of the resulting bank will be insured by the Federal Deposit Insurance Corporation.

Furthermore, the Commission is of the opinion and finds that the public interest will be served by authorizing the bank resulting from the merger, under the title Farmers & Merchants Bank-Eastern Shore, to engage in the banking business and to operate all the currently-authorized offices of the merging banks.

Accordingly IT IS ORDERED THAT a certificate of authority to do a banking business be granted to the bank resulting from the merger of The Eastville Bank with Farmers & Merchants Bank-Eastern Shore, and such a certificate is hereby granted, effective upon the issuance by the Clerk of a certificate of merger. AND IT IS FURTHER ORDERED that, upon the merger of The Eastville Bank into Farmers & Merchants Bank-Eastern Shore, the surviving bank, entitled "Farmers & Merchants Bank-Eastern Shore", is authorized to operate a main office at 25275 Lankford Highway, Onley, Accomack County, Virginia, and branches at all the previously-authorized office locations of the merging banks. The offices operated by the merging banks are listed in Attachment A. The authority granted herein shall expire one year from this date, unless extended by Commission order prior to the expiration date.

There being nothing further to be done in this matter, it shall be placed among the ended cases.

NOTE: A copy of Attachment A entitled "Offices of Farmers & Merchants Bank-Eastern Shore" is on file and may be examined at the State Corporation Commission, Bureau of Financial Institutions, Tyler Building, 1300 East Main Street, Richmond, Virginia.

CASE NO. BAN19980736
OCTOBER 26, 1998

APPLICATION OF
MONARCH BANK

For a certificate of authority to begin business as a bank at 750 Volvo Parkway, City of Chesapeake, Virginia

ON A FORMER DAY came the applicant and filed its application for a certificate of authority, under Chapter 2, Title 6.1 of the Code of Virginia, to begin business as a bank at 750 Volvo Parkway, City of Chesapeake, Virginia. Thereupon the application was referred to the Commissioner of Financial Institutions for investigation and report.

NOW, ON THIS DAY, having considered the application herein and the investigation made by the Commissioner of Financial Institutions, the Commission is of the opinion and finds that the public interest will be served by additional banking facilities in the City of Chesapeake, Virginia, where the applicant bank is proposed. Furthermore, the Commission ascertains with respect to the application herein;

(1) That all provisions of law have been complied with;

(2) That financially responsible individuals have subscribed for capital stock and surplus in an amount deemed by the Commission to be sufficient to warrant successful operation;

(3) That the oaths of all directors have been taken and filed in accordance with the provisions of Section 6.1-48 of the Code of Virginia;

(4) That the applicant was formed for no reason other than a legitimate banking business;

(5) That the moral fitness, financial responsibility, and business qualifications of those named as officers and directors of the proposed bank are such as to command the confidence of the community in which the bank is proposed to be located; and

(6) That the applicant's deposits are to be insured by the Federal Deposit Insurance Corporation.

THEREFORE, IT IS ORDERED that a certificate of authority authorizing Monarch Bank to do a banking business at 750 Volvo Parkway, City of Chesapeake, Virginia be granted, and said certificate hereby is granted, subject to and contingent upon the following conditions being met before the bank opens for business:

1. That capital funds totaling $8,000,000 be paid into the bank and allocated as follows: $4,000,000 to capital stock and $4,000,000 to surplus;

2. That the bank actually obtain insurance of its accounts by the Federal Deposit Insurance Corporation;

3. That the applicant receive approval of appointment of its chief executive officer from the Commissioner of Financial Institutions, and that it notify him of the date the applicant is to be open for business; and

4. That if, for any reason, the bank fails to open for business within one year from this date, the authority granted herein shall expire. Provided, however, that the Commission may renew or extend such authority by order entered prior to the expiration date.

CASE NO. BAN19980748
DECEMBER 7, 1998

APPLICATION OF
THE BANK OF WILLIAMSBURG

For a certificate of authority to begin business as a bank at 5251 John Tyler Highway, Suite 52, James City County, Virginia

ON A FORMER DAY came the applicant and filed its application for a certificate of authority, under Chapter 2, Title 6.1 of the Code of Virginia, to begin business as a bank at 5251 John Tyler Highway, Suite 52, James City County, Virginia. Thereupon the application was referred to the Commissioner of Financial Institutions for investigation and report.

NOW, ON THIS DAY , having considered the application herein and the investigation made by the Commissioner of Financial Institutions, the Commission is of the opinion and finds that the public interest will be served by additional banking facilities in James City County, Virginia, where the applicant bank is proposed. Furthermore, the Commission ascertains with respect to the application herein;

(1) That all provisions of law have been complied with;

(2) That financially responsible individuals have subscribed for capital stock and surplus in an amount deemed by the Commission to be sufficient to warrant successful operation;

(3) That the oaths of all directors have been taken and filed in accordance with the provisions of Section 6.1-48 of the Code of Virginia;

(4) That the applicant was formed for no reason other than a legitimate banking business;

(5) That the moral fitness, financial responsibility, and business qualifications of those named as officers and directors of the proposed bank are such as to command the confidence of the community in which the bank is proposed to be located; and

(6) That the applicant's deposits are to be insured by the Federal Deposit Insurance Corporation.

THEREFORE, IT IS ORDERED that a certificate of authority authorizing The Bank of Williamsburg to do a banking business at 5251 John Tyler Highway, Suite 52, James City County, Virginia be granted, and said certificate hereby is granted, subject to and contingent upon the following conditions being met before the bank opens for business:

1. That capital funds totaling $4,000,000 be paid into the bank and allocated as follows: $2,000,000 to capital stock, and $2,000,000 to surplus;

2. That the bank actually obtain insurance of its accounts by the Federal Deposit Insurance Corporation;

3. That the applicant receive approval of appointment of its chief executive officer from the Commissioner of Financial Institutions, and that it notify him of the date the applicant is to be open for business; and

4. That if, for any reason, the bank fails to open for business within one year from this date, the authority granted herein shall expire. Provided, however, that the Commission may renew or extend such authority by order entered prior to the expiration date.

CASE NO. BAN19980749
DECEMBER 7, 1998

APPLICATION OF
UNION BANKSHARES CORPORATION

Pursuant to Chapter 13 of Title 6.1 of the Code of Virginia

ORDER GIVING NOTICE OF INTENT NOT TO DISAPPROVE AN ACQUISITION

ON A FORMER DAY Union Bankshares Corporation, a Virginia corporation, applied as required by § 6.1-383.1 of the Code of Virginia to acquire 100 percent of the voting stock of The Bank of Williamsburg, Williamsburg, Virginia. The application was referred to the Bureau of Financial Institutions.

Having considered the application and the report of the Bureau of Financial Institutions, the Commission is of the opinion and finds that there has been compliance with the prerequisites set forth in § 6.1-383.1 of the Code, and it finds further that no reasonable basis exists for taking any of the other actions permitted the Commission by § 6.1-383.2.

THEREFORE, the Commission hereby issues this notice of its intent not to disapprove the acquisition of 100 percent of the voting stock of The Bank of Williamsburg by Union Bankshares Corporation provided that the acquisition becomes effective within twelve months from this date, unless extended, and further provided the Bureau of Financial Institutions is notified, in writing, within ten days of the effective date of the acquisition. The Commission orders that this matter be placed among the ended cases.

CASE NO. BAN19980760
DECEMBER 7, 1998

APPLICATION OF
ALBEMARLE FIRST BANK

For a certificate of authority to begin business as a bank at 1265 Seminole Trail, Albemarle County, Virginia

ON A FORMER DAY came the applicant and filed its application for a certificate of authority, under Chapter 2, Title 6.1 of the Code of Virginia, to begin business as a bank at 1265 Seminole Trail, Albemarle County, Virginia. Thereupon the application was referred to the Bureau of Financial Institutions for an investigation and report.

NOW, having considered the application herein and the report of the investigation made by the Bureau, the Commission is of the opinion and finds that the public interest will be served by additional banking facilities in Albemarle County, Virginia, where the applicant bank is proposed. Furthermore, the Commission ascertains with respect to the application herein:

(1) That all applicable provisions of law have been complied with;

(2) That financially responsible individuals have subscribed for capital stock and surplus in an amount deemed by the Commission to be sufficient to warrant successful operation;

(3) That the oaths of all directors have been taken and filed in accordance with the provisions of Section 6.1-48 of the Code of Virginia;

(4) That the applicant was formed for no reason other than a legitimate banking business;

(5) That the moral fitness, financial responsibility, and business qualifications of those named as officers and directors of the proposed bank are such as to command the confidence of the community in which the bank is proposed to be located; and

(6) That the applicant's deposits are to be insured by the Federal Deposit Insurance Corporation.

THEREFORE, IT IS ORDERED that a certificate of authority authorizing Albemarle First Bank to do a banking business at 1265 Seminole Trail, Albemarle County, Virginia be granted, and a certificate of authority hereby is granted, subject to and contingent upon the following conditions being met before the bank opens for business:

1. That capital funds totaling $7,259,280 be paid in to the bank and allocated as follows: $2,903,712 to capital stock and $4,355,568 to surplus;

2. That the bank actually obtain insurance of its accounts by the Federal Deposit Insurance Corporation; and

3. That the applicant receive approval of the appointment of its chief executive officer from the Commissioner of Financial Institutions, and that the bank notify him of the date the applicant is to be open for business.

If, for any reason, the bank should fail to open for business within one year from this date, the authority granted herein shall expire. However, the Commission may renew or extend such authority by order entered prior to the expiration date.

CASE NO. BAN19980813
OCTOBER 5, 1998

APPLICATION OF
DENNIS R. BROWN

Pursuant to Section 6.1-416.1 of the Code of Virginia

ORDER APPROVING THE ACQUISITION

ON A FORMER DAY came Dennis R. Brown, Washington, D.C., and filed his application, as required by Section 6.1-416.1 of the Code of Virginia, to acquire 25 percent or more of the voting shares of Chesapeake 1st Mortgage Corporation (Used in VA by: Chesapeake Mortgage Corporation). Thereupon the application was referred to the Bureau of Financial Institutions for investigation.

Having considered the application and the report of investigation of the Bureau of Financial Institutions, the Commission is of the opinion and finds that there has been compliance with the prerequisites set forth in Virginia Code Section 6.1-416.1. Therefore, the Commission hereby approves the acquisition of 25 percent or more of the voting shares of Chesapeake 1st Mortgage Corporation (Used in VA by: Chesapeake Mortgage Corporation) by Dennis R. Brown and orders that this matter be placed among the ended cases.

CASE NO. BAN19980814
SEPTEMBER 18, 1998

APPLICATION OF
VIRGINIA HEARTLAND INTERIM BANK

For a certificate of authority to begin business as a bank at 4700 Harrison Road, Spotsylvania County, Virginia and to operate two branch offices upon the merger of Virginia Heartland Bank into Virginia Heartland Interim Bank, under the charter of Virginia Heartland Interim Bank and title of Virginia Heartland Bank

ON A FORMER DAY Virginia Heartland Interim Bank, an interim bank, applied to the Commission for a certificate of authority to begin business as a bank at 4700 Harrison Road, Spotsylvania County, Virginia, and for authority to operate the above main office and two branch offices of Virginia Heartland Bank at the following locations: (1) 1016 Charles Street, City of Fredericksburg, Virginia and (2) 5996 Plank Road, Spotsylvania County, Virginia as branch offices. The application, with supporting documents and information, were referred to the Commissioner of Financial Institutions for investigation and report.

The Commissioner has submitted his report of investigation which states that the authorizations sought herein are steps to facilitate the proposed acquisition of Virginia Heartland Bank by Second National Financial Corporation pursuant to Chapter 13 of Title 6.1 of the Code of Virginia. Virginia Heartland Bank will merge into Virginia Heartland Interim Bank and the resulting bank will be re-named "Virginia Heartland Bank".

AND THE COMMISSION, having considered the application herein and the recommendation of the Commissioner of Financial Institutions, is of the opinion that a certificate of authority to begin business as a bank should be issued to Virginia Heartland Interim Bank. The Commission finds: (1) that all the provisions of law have been complied with; (2) that the stock of the interim bank has been subscribed, and that the capital of the resulting bank will be an amount deemed sufficient for successful operation, i.e., capital stock of $2,320,000 and surplus of not less than $6,785,000; (3) that the oaths of all directors have been taken and filed in accordance with the provisions of Section 6.1-48 of the Code of Virginia; (4) that in its opinion, the public interest will be served by having banking facilities of the applicant in the community where it proposes to be; (5) that the applicant was formed for no other reason than a legitimate banking business; (6) that the moral fitness, financial responsibility and business qualifications of those named as officers and directors of the applicant are such as to command the confidence of the community in which the applicant will be located; and (7) that its deposits are to be insured by the Federal Deposit Insurance Corporation.

THE COMMISSION furthermore is of the opinion and finds that the public interest will be served by permitting the resulting Virginia Heartland Bank to operate, following the merger, the main office and two branch offices heretofore authorized. The merger, and the authority to operate the resulting bank and branches granted herein, will be effective upon the issuance by the Commission of a certificate of merger effecting the merger of Virginia Heartland Bank into Virginia Heartland Interim Bank, and a certificate of amendment and restatement changing the name of Virginia Heartland Interim Bank to "Virginia Heartland Bank".

ACCORDINGLY IT IS ORDERED:

That a certificate of authority be granted to Virginia Heartland Interim Bank, and a certificate is hereby granted. And it is further ordered that, upon the merger of Virginia Heartland Bank into Virginia Heartland Interim Bank, the resulting bank, re-named "Virginia Heartland Bank", be authorized to operate at 4700 Harrison Road, Spotsylvania County, Virginia, with the branch offices listed above, and such authority hereby is granted. The authority granted herein shall expire if not exercised within one year.

CASE NO. BAN19980815
SEPTEMBER 18, 1998

APPLICATION OF
SECOND NATIONAL FINANCIAL CORPORATION

Pursuant to Title 6.1, Chapter 13, Code of Virginia

ORDER GIVING NOTICE OF INTENT NOT TO DISAPPROVE AN ACQUISITION

ON A FORMER DAY came Second National Financial Corporation and filed its application, as required by Virginia Code Section 6.1-383.1, to acquire 100 percent of the voting shares of Virginia Heartland Bank. Thereupon the application was referred to the Bureau of Financial Institutions.

Having considered the application and the report of the Bureau of Financial Institutions, the Commission is of the opinion and finds that the applicant has complied with Virginia Code Section 6.1-383.1, and that no reasonable basis exists for taking any of the other actions permitted by Section 6.1-383.2 of the Code.

THEREFORE, the Commission hereby issues this notice of its intent not to disapprove the acquisition of 100 percent of the voting shares of Virginia Heartland Bank by Second National Financial Corporation. This matter shall be placed among the ended cases.

CASE NO. BAN19980826
SEPTEMBER 25, 1998

APPLICATION OF
ROBERT L. ROLAND, JR.

Pursuant to Section 6.1-416.1 of the Code of Virginia

ORDER APPROVING THE ACQUISITION

ON A FORMER DAY came Robert L. Roland, Jr., Glen Allen, Virginia, and filed his application, as required by Virginia Code Section 6.1-416.1, to acquire 25 percent or more of the voting shares of Benchmark Mortgage Inc. Thereupon the application was referred to the Bureau of Financial Institutions for investigation.

Having considered the application and the report of investigation of the Bureau of Financial Institutions, the Commission is of the opinion and finds that there has been compliance with the prerequisites set forth in Virginia Code Section 6.1-416.1. Therefore, the Commission hereby approves the acquisition of 25 percent or more of the voting shares of Benchmark Mortgage Inc. by Robert L. Roland, Jr., and orders that this matter be placed among the ended cases.

CASE NO. BAN19980827
SEPTEMBER 25, 1998

APPLICATION OF
CHRIS E. BEALE

Pursuant to Section 6.1-416.1 of the Code of Virginia

ORDER APPROVING THE ACQUISITION

ON A FORMER DAY came Chris E. Beale, Glen Allen, Virginia, and filed his application, as required by Virginia Code Section 6.1-416.1, to acquire 25 percent or more of the voting shares of Benchmark Mortgage Inc. Thereupon the application was referred to the Bureau of Financial Institutions for investigation.

Having considered the application and the report of investigation of the Bureau of Financial Institutions, the Commission is of the opinion and finds that there has been compliance with the prerequisites set forth in Virginia Code Section 6.1-416.1. Therefore, the Commission hereby approves the acquisition of 25 percent or more of the voting shares of Benchmark Mortgage Inc. by Chris E. Beale and orders that this matter be placed among the ended cases.

CASE NO. BAN19980830
SEPTEMBER 17, 1998

APPLICATION OF
AMRESCO, INC.

Pursuant to Section 6.1-416.1 of the Code of Virginia

ORDER APPROVING THE ACQUISITION

ON A FORMER DAY came AMRESCO, INC., Dallas, Texas, and filed its application, as required by Section 6.1-416.1 of the Code of Virginia, to acquire 25 percent or more of the voting shares of Amerigroup Mortgage Corporation (Used in VA by: Mortgage Investors Corporation). Thereupon the application was referred to the Bureau of Financial Institutions for investigation.

Having considered the application and the report of investigation of the Bureau of Financial Institutions, the Commission is of the opinion and finds that there has been compliance with the prerequisites set forth in Virginia Code Section 6.1-416.1. Therefore, the Commission hereby approves the acquisition of 25 percent or more of the voting shares of Amerigroup Mortgage Corporation (Used in VA by: Mortgage Investors Corporation) by AMRESCO, INC. and orders that this matter be placed among the ended cases.

CASE NO. BAN19980835
SEPTEMBER 15, 1998

APPLICATION OF
VIRGINIA CREDIT UNION, INC.

To merge into it Salem E. B. A. Credit Union, Incorporated

ORDER APPROVING THE MERGER

Virginia Credit Union, Inc. filed an application to merge into it Salem E. B. A. Credit Union, Incorporated, pursuant to the provisions of Section 6.1-225.27 of the Code of Virginia.

The plan of merger was reviewed by the Commissioner of Financial Institutions. The Commission has considered the application herein and the recommendation of the Commissioner of Financial Institutions and finds: (1) that the common bond of interest specified in the bylaws of Virginia Credit Union, Inc., the surviving credit union, includes the common bonds of both credit unions; (2) that the plan of merger will promote the best interests of the members of the credit unions; and (3) that the members of the merging credit union and the board of directors of the surviving credit union have approved the plan of merger in accordance with applicable law.

THEREFORE, IT IS ORDERED that the merger of Salem E. B. A. Credit Union, Incorporated into Virginia Credit Union, Inc. is approved, provided that the merger, which will be effective when the Clerk issues a certificate of merger, shall be accomplished not later than one year from this date.

CASE NO. BAN19980866
OCTOBER 7, 1998

APPLICATION OF
TRAVELERS GROUP INC.

Pursuant to Section 6.1-378.2 of the Virginia Code

ORDER APPROVING THE ACQUISITION

ON A FORMER DAY came Travelers Group Inc., a Delaware corporation based in New York, New York, and filed its application, as required by Section 6.1-378.2 of the Virginia Code, to acquire 25 percent or more of the voting shares of Citicorp Services Inc. Thereupon the application was referred to the Bureau of Financial Institutions for investigation.

Having considered the application and the report of investigation of the Bureau of Financial Institutions, the Commission is of the opinion and finds that there has been compliance with the prerequisites set forth in Section 6.1-378.2. Therefore, the Commission hereby approves the acquisition of 25 percent or more of the voting shares of Citicorp Services Inc. by Travelers Group Inc. provided that the acquisition takes place within one year from this date and the applicant notifies the Bureau of the effective date within ten days thereof. This matter shall be placed among the ended cases.

CASE NO. BAN19980879
OCTOBER 9, 1998

APPLICATION OF
JAMES L. HARLESS

Pursuant to Section 6.1-416.1 of the Code of Virginia

ORDER APPROVING THE ACQUISITION

ON A FORMER DAY came James L. Harless, Mechanicsville, Virginia, and filed his application, as required by Virginia Code Section 6.1-416.1, to acquire 25 percent or more of the voting shares of Aggressive Mortgage Corp. Thereupon the application was referred to the Bureau of Financial Institutions for investigation.

Having considered the application and the report of investigation of the Bureau of Financial Institutions, the Commission is of the opinion and finds that there has been compliance with the prerequisites set forth in Virginia Code Section 6.1-416.1. Therefore, the Commission hereby approves the acquisition of 25 percent or more of the voting shares of Aggressive Mortgage Corp. by James L. Harless and orders that this matter be placed among the ended cases.

CASE NO. BAN19980913
OCTOBER 26, 1998

APPLICATION OF
FARMERS & MERCHANTS BANK-EASTERN SHORE, Onley, Virginia

For a certificate of authority to do a banking business following a merger with The Marine Bank and for authority to operate the authorized offices of the merging banks

ORDER GRANTING AUTHORITY

Farmers & Merchants Bank-Eastern Shore, a state-chartered bank with its main office at 25275 Lankford Highway, Onley, Accomack County, Virginia, has applied pursuant to Section 6.1-44 of Virginia Code for a certificate of authority to do a banking business following a merger with The Marine Bank, Chincoteague, Virginia, under the charter and title of Farmers & Merchants Bank-Eastern Shore. Authority is sought for the bank resulting from the merger to operate all the currently-authorized offices of the merging banks. The application was referred to the Bureau of Financial Institutions for investigation.

The Commission, having considered the application herein and the report of the Bureau's investigation, is of the opinion that a certificate of authority should be issued, and with respect to the application the Commission finds: (1) that all the provisions of law have been complied with; (2) that the capital stock of the resulting bank will be $3,600,000 and its surplus will be not less than $30,950,000; (3) that the public interest will be served by the banking facilities of the resulting bank in the communities where it is proposed to be; (4) that the oaths of all directors have been taken and filed in accordance with Section 6.1-48; (5) that the bank will conduct a legitimate banking business; (6) that the moral fitness, financial responsibility and business qualifications of those named as officers and directors are such as to command the confidence of the community; and (7) that the deposits of the resulting bank will be insured by the Federal Deposit Insurance Corporation.

Furthermore, the Commission is of the opinion and finds that the public interest will be served by authorizing the bank resulting from the merger, under the title Farmers & Merchants Bank-Eastern Shore, to engage in the banking business and to operate all the currently-authorized offices of the merging banks.

Accordingly IT IS ORDERED THAT a certificate of authority to do a banking business be granted to the bank resulting from the merger of The Marine Bank with Farmers & Merchants Bank-Eastern Shore, and such a certificate is hereby granted, effective upon the issuance by the Clerk of a certificate of merger. AND IT IS FURTHER ORDERED that, upon the merger of The Marine Bank into Farmers & Merchants Bank-Eastern Shore, the surviving bank, entitled "Farmers & Merchants Bank-Eastern Shore", is authorized to operate a main office at 25275 Lankford Highway, Onley, Accomack County, Virginia, and branches at all the previously-authorized office locations of the merging banks. The offices operated by the merging banks are listed in Attachment A. The authority granted herein shall expire one year from this date, unless extended by Commission order prior to the expiration date.

There being nothing further to be done in this matter, it shall be placed among the ended cases.

NOTE: A copy of Attachment A entitled "Offices of Farmers & Merchants Bank-Eastern Shore" is on file and may be examined at the State Corporation Commission, Bureau of Financial Institutions, Tyler Building, 1300 East Main Street, Richmond, Virginia.

CASE NO. BAN19980914
OCTOBER 26, 1998

APPLICATION OF
MERCANTILE BANKSHARES CORPORATION, Baltimore, Maryland

To acquire The Marine BanCorp, Inc. and its subsidiary, The Marine Bank, Chincoteague, Virginia, pursuant to Chapter 15 of Title 6.1 of the Code of Virginia

ORDER OF APPROVAL

Mercantile Bankshares Corporation, a bank holding company headquartered in Baltimore, Maryland, filed an application pursuant to Chapter 15 of Title 6.1 of the Code of Virginia to acquire The Marine BanCorp, Inc., Chincoteague, Virginia, and The Marine Bank, a Virginia bank (as defined in Section 6.1-398 of the Code) headquartered in Chincoteague, Virginia. The application was referred to the Bureau of Financial Institutions for investigation. Notice of the application was published in the Bureau's Weekly Information Bulletin dated August 28, 1998. No objection to the proposed acquisition was received.

Having considered the application and the report of the investigation of the Bureau, the Commission finds that the criteria in § 6.1-383.2, Subsection A, are met: (1) the proposed acquisition will not be detrimental to the safety and soundness of Mercantile Bankshares Corporation, The Marine BanCorp, Inc. or The Marine Bank; (2) the applicant, its officers and directors are qualified by character, experience and financial responsibility to control and operate a Virginia bank; (3) the proposed acquisition will not be prejudicial to the interests of depositors, creditors, beneficiaries of fiduciary accounts or shareholders of Mercantile Bankshares Corporation, The Marine BanCorp, Inc. or The Marine Bank; and (4) the acquisition is in the public interest.

Therefore, the Commission hereby approves the application of Mercantile Bankshares Corporation to acquire The Marine BanCorp, Inc. and The Marine Bank. The permission granted herein shall expire one year from this date, unless extended by Commission order prior to the expiration date. This matter shall be placed among the ended cases.

CASE NO. BAN19980932
OCTOBER 26, 1998

APPLICATION OF
SUNTRUST BANKS, INC., Atlanta, Georgia

To acquire Crestar Financial Corporation and its subsidiary, Crestar Bank, Richmond, Virginia, pursuant to Chapter 15 of Title 6.1 of the Code of Virginia

ORDER OF APPROVAL

SunTrust Banks, Inc., a bank holding company headquartered in Atlanta, Georgia, filed an application pursuant to Chapter 15 of Title 6.1 of the Code of Virginia to acquire Crestar Financial Corporation, Richmond, Virginia, and Crestar Bank, a Virginia bank (as defined in Section 6.1-398 of the Code) headquartered in Richmond, Virginia. The application was referred to the Bureau of Financial Institutions for investigation. Notice of the application was published in the Bureau's Weekly Information Bulletin dated September 4, 1998. No objection to the proposed acquisition was received.

Having considered the application and the report of the investigation of the Bureau, the Commission finds that the criteria in § 6.1-383.2, Subsection A, are met: (1) the proposed acquisition will not be detrimental to the safety and soundness of SunTrust Banks, Inc., Crestar Financial Corporation or Crestar Bank; (2) the applicant, its officers and directors, and the proposed new directors of Crestar Bank, are qualified by character, experience and financial responsibility to control and operate a Virginia bank; (3) the proposed acquisition will not be prejudicial to the interests of depositors, creditors, beneficiaries of fiduciary accounts or shareholders of SunTrust Banks, Inc., Crestar Financial Corporation or Crestar Bank; and (4) the acquisition is in the public interest.

Therefore, the Commission hereby approves the application of SunTrust Banks, Inc. to acquire Crestar Financial Corporation and Crestar Bank. The permission granted herein shall expire one year from this date, unless extended by Commission order prior to the expiration date. This matter shall be placed among the ended cases.

CASE NO. BAN19981007
NOVEMBER 5, 1998

APPLICATION OF
MID-ATLANTIC COMMUNITY BANKGROUP, INC.

Pursuant to Chapter 13 of Title 6.1 of the Code of Virginia

ORDER GIVING NOTICE OF INTENT NOT TO DISAPPROVE AN ACQUISITION

ON A FORMER DAY Mid-Atlantic Community BankGroup, Inc., a Virginia corporation, applied as required by § 6.1-383.1 of the Code of Virginia to acquire 100 percent of the voting stock of United Community Bankshares, Inc., Franklin, Virginia. The application was referred to the Bureau of Financial Institutions.

Having considered the application and the report of the Bureau of Financial Institutions, the Commission is of the opinion and finds that there has been compliance with the prerequisites set forth in § 6.1-383.1 of the Code, and it finds further that no reasonable basis exists for taking any of the other actions permitted the Commission by § 6.1-383.2.

THEREFORE, the Commission hereby issues this notice of its intent not to disapprove the acquisition of 100 percent of the voting stock of United Community Bankshares, Inc. by Mid-Atlantic Community BankGroup, Inc. provided that the acquisition becomes effective within twelve months from this date, unless extended, and further provided the Bureau of Financial Institutions is notified, in writing, within ten days of the effective date of the acquisition. The Commission orders that this matter be placed among ended cases.

CASE NO. BAN19981119
DECEMBER 18, 1998

APPLICATION OF
MICHAEL A. COAKLEY

Pursuant to Section 6.1-416.1 of the Code of Virginia

ORDER APPROVING THE ACQUISITION

ON A FORMER DAY came Michael A. Coakley, Virginia Beach, Virginia, and filed its application, as required by Virginia Code Section 6.1-416.1, to acquire 25 percent or more of the voting shares of Aggressive Mortgage Corp. Thereupon the application was referred to the Bureau of Financial Institutions for investigation.

Having considered the application and the report of investigation of the Bureau of Financial Institutions, the Commission is of the opinion and finds that there has been compliance with the prerequisites set forth in Virginia Code Section 6.1-416.1. Therefore, the Commission hereby approves the

acquisition of 25 percent or more of the voting shares of Aggressive Mortgage Corp. by Michael A. Coakley and orders that this matter be placed among the ended cases.

CASE NO. BFI970070
APRIL 3, 1998

PETITION OF
THE VIRGINIA BANKERS ASSOCIATION

For review of actions of the Bureau of Financial Institutions in applying the common bond provisions of the Virginia Credit Union Act

ORDER

The Petition of the Virginia Bankers Association ("the VBA"), filed August 8, 1997, sought Commission review of certain practices of the Bureau of Financial Institutions under Rule 3:4 of the Commission's Rules of Practice and Procedure. The VBA challenged the Bureau's having allowed a number of state-chartered credit unions to expand their fields of membership by the addition of "small employee groups" and by describing geographic (or community) common bonds.

A formal proceeding was established by order dated September 11, 1997, and the Bureau gave notice to all state-chartered credit unions and banks, and others. Interested parties were offered an opportunity to file written responses; thereafter any participant that believed a hearing was needed on issues raised by the filings was allowed to file a statement to that effect, giving reasons. The Virginia Credit Union League ("the League"), and three community-based credit unions ("the Community CUs") filed responses October 15, 1997. The "Response and Motion to Dismiss of the Virginia Credit Union League" sought to have the Petition dismissed on grounds that the VBA was not a "person in interest" within the meaning of Rule 3:4. Staff counsel filed a "Response of the Bureau of Financial Institutions" dated October 28, 1997.[1]

On November 5, 1997, the VBA, the League and the Community CUs filed additional pleadings. The VBA's "Reply and Statement Concerning Need for Hearing" took the position that a hearing was not necessary. The League's "Statement With Respect To Further Proceedings" asked that a decision be delayed until the Supreme Court of the United States decided a pending case, and also sought a hearing in order to present evidence on the structure of the credit union industry, its clientele and unique function, ostensibly in response to characterizations of the industry contained in certain VBA policy arguments. The Community CUs' "Request for Hearing" asked for an opportunity to present evidence on the nature of the common bond, the nature of the services that community credit unions provide to their communities, and the circumstances surrounding the Bureau's having granted the bylaw amendments resulting in the Community CU's current fields of membership.

Petitioner asserts that the provisions of the Virginia Credit Union Act (Chapter 4.01 of Title 6.1 of the Code of Virginia) governing the common bonds of Virginia state credit unions, primarily § 6.1-225.23 of the Code, plainly do not permit a Virginia credit union to have more than one membership group, and do not allow membership to be based on residence or employment in a particular geographic area or political subdivision or community.[2] The VBA requests the issuance of an order to the above effect, but stops short of suggesting that any existing field of membership be disturbed.

The League contends that the Bureau acted within its administrative discretion both in permitting "small employee groups" (SEGs) to be added to the fields of membership of existing credit unions and in granting community charters. The Community CUs argue that the plain language of § 6.1-225.23 allows community charters.

The "Response of the Bureau of Financial Institutions" contains an explanation of the history and reasons underlying the Bureau's SEG practices. The Bureau states that it has not understood the common-bond provision of the Virginia Act as being designed to limit competition with banks. It relates that the policy of adding SEGs to existing credit unions was begun in 1974, based on a practical concern for the viability of credit unions having less than adequate membership -- coupled with a desire to make credit union services reasonably available to employees of small firms. The practice of adding SEGs continued in Virginia following certain 1982 National Credit Union Administration rulings that formalized the practice of adding SEGs to federal credit unions. The Bureau's Exhibit A listed 18 state credit unions having fields of membership that include SEGs.

In response to a request contained in House Joint Resolution No. 309 of the 1989 Session of the General Assembly, the Virginia Code Commission studied Chapter 4 of Title 6.1 of the Code with a view toward revising the chapter "to make the laws governing [Virginia] credit unions clearer, better organized, and more uniform".[3] Though it considered incorporating in Chapter 4.01 provisions that would have allowed state-chartered credit unions "to include in their membership groups with common bonds" . . . "as allowed by federal law", the Code Commission decided that such a substantive change to existing law would exceed the bounds of H.J.R. No. 309.[4] The Bureau reports that it did not view this inaction of the Code Commission as affecting the long-standing Bureau SEG policy and practice. That position is not unreasonable, given (1) the changes in the Act since 1980 to enable and facilitate mergers of credit unions, and (2) the General Assembly's impetus toward maintaining parity between state and federal credit unions through a grant of "wild card" authority, i.e., the ability to adopt regulations giving state credit unions powers at least comparable to those of their federal counterparts. (See §§ 6.1-225.3:1, 6.1-225.22 and 6.1-225.27 of the Code of the Virginia.)

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[1] The League moved to substitute counsel October 30, 1997. There being no objection, the League's motion is granted.

[2] Section 6.1 of the Code of Virginia provides (in part): "B. Credit union membership shall be limited to persons having a specified common bond of interest, members of their immediate families, associations of such persons, other credit unions and employees of the credit union".

[3] H.J.R. 309, 1989 Regular Session, Vol. II, p. 2088.

[4] "Report of the Virginia Code Commission on the Revision of Chapter 4 of Tile 6.1 of the Code of Virginia to the Governor and the General Assembly of Virginia", House Document No. 50 (1990), Introduction and Summary.

Adopting a cautious approach, the Bureau stopped adding SEGs not long after the July 30, 1996, decision of the U.S. Circuit Court of Appeals for the D.C. Circuit in First National Bank & Trust v. National Credit Union Administration and AT&T Family Federal, 90 F3d 525 (D.C. Cir. 1996) (hereinafter "AT&T Family Federal").[5] The United States Supreme Court heard argument on an appeal from the AT&T Family Federal case in October of 1997. The Court decided February 25, 1998 that banks and the American Bankers Association had standing to sue in federal court.[6] The Court held also that the National Credit Union Administration had erred in construing § 109 of the National Credit Union Act so as to allow federal credit unions to have more than one common bond.

Because the issues before the Supreme Court concerned judicial standing under federal statute and case law and the construction of the 1934 Federal Credit Union Act's common-bond provision, which differs substantially from § 6.1-225.23 of the Code, the conclusions of the Supreme Court in the AT&T Family Federal case are not dispositive - though instructive - in addressing the issues raised by this Petition.[7]

As to the question whether this Petition may properly be brought before the Commission by the VBA, we have weighed carefully all the authorities cited by the parties. We are mindful in particular of the recent affirmance by the Supreme Court of Virginia of our decision to dismiss a petition filed purportedly under Rule 3:4. See Ernst & Young LLP v. State Corporation Commission, Record No. 971810 (January 20, 1998). We are of the opinion that that case is distinguishable on its facts from the present situation. This matter involves the Bureau's construction - and its application on a number of occasions - of a Virginia statute affecting state-chartered credit unions and banks (especially "community banks"), both of which are subject to regulation by the Bureau. We find, in these circumstances, that the VBA may properly bring the Petition.

Under Rule 3:4 of our Rules of Practice and Procedure we review, in our capacity as administrative heads of the Commission, disputed interpretations and applications of law by the various divisions of the Commission.[8]

In this matter the material facts are set forth in the pleadings of the parties and the "Response" filed by the Bureau. No party takes issue with any factual matter pleaded, and it is clear from the pleadings that no material fact is in dispute. The issues presented are questions of law, and the requests for a hearing lack supporting reasons.[9] In these circumstances, we decline to grant a hearing in the matter, and, having considered the League's March 5, 1998 "Motion for Additional Proceedings", and the VBA's "Motion for Permission to File a Response" tendered March 18, 1998, hereby deny those motions.

Having considered the Virginia Credit Union Act, particularly § 6.1-225.23 of the Code, all the pleadings filed and arguments made in this matter, and the precedents and authorities cited, IT IS ORDERED THAT the League's October 15, 1997 motion to dismiss the Petition herein is denied. With reference to the SEG practice complained of, we find that the Bureau correctly suspended the SEG practice in October, 1996, and that action is confirmed. We need do nothing further on this issue at this time.

The Bureau has concluded that the language of Virginia's common-bond statute, which omits the limiting phrases found in the 1934 federal Act, means that geographic, political subdivision or community common bonds are not precluded by state law. We have considered Petitioner's arguments to the contrary, and we agree with the Bureau, provided those within the postulated community share a "uniting force or tie; link", i.e., a bond.[10] We will rely on the Bureau to require that such common bonds be reasonably established by a factual showing. The existing fields of membership of Virginia credit unions may be retained; new members may be added within those current fields.

Having completed our review of the Bureau practices questioned in this proceeding, we hereby dismiss this matter and order it removed from the docket.

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[5] It was in early 1997 that the three new community charters were authorized, according to the Bureau's "Response".

[6] National Credit Union Administration, Petitioner v. First National Bank & Trust Co. et al. and AT&T Family Federal Credit Union, et al., Petitioners v. First National Bank and Trust Co. et al., Nos. 96-843 and 96-847.

[7] 12 U.S.C. § 1759 provides (in relevant part):
. . . Federal credit union membership shall be limited to groups having a common bond of occupation or association, or to groups within a well-defined neighborhood, community, or rural district.

[8] Rule 3:4 provides:
Upon written petition of any person in interest dissatisfied with any action taken by a division of the Commission, or by its failure to act, resulting from disputed facts or from disputed statutory interpretation or application, the Commission will set the matter for hearing. If the dispute be one of law only, in lieu of a hearing, the Commission may order a stipulation of facts and submission of the issues and argument by written briefs. Oral argument in any such case shall be with the consent of the Commission.

[9] The September 11, 1997 "Order Establishing a Proceeding and Directing Filings" herein required a statement with reasons as to the need for a hearing.

[10] American Heritage Dictionary, Second College Edition (1985).

CASE NO. BFI970075
MARCH 9, 1998

IN RE PETITION OF
AMERICAN GENERAL FINANCE OF AMERICA, INC.

For modification of 10 VAC 5-60-40, 10 VAC 5-60-50 and 10 VAC 5-70-10 et seq.

ORDER ADOPTING REGULATIONS

ON A FORMER DAY American General Finance of America, Inc. ("AGFA") filed with the Clerk a Petition commencing this case. In its Petition, AGFA sought amendment of the Commission's rules governing the sale of non-credit-related life insurance in consumer finance offices, 10 VAC 5-70-10 et seq., and of the Commission's rules relating to the conduct of open-end lending and mortgage lending businesses in consumer finance offices, 10 VAC 5-60-40 (F) and 10 VAC 5-60-60 (G). By order herein dated December 19, 1997, the Commission directed that notice of a proposed amendment be transmitted to the Virginia Register and also given to all licensees under the Consumer Finance Act ("the Act") and others. Interested parties were afforded an opportunity to file written comments in favor of or against the proposal, and written requests for a hearing, on or before February 19, 1998.

Several persons filed written comments opposing and supporting the proposed amendment. No request for a hearing was made. Thereafter, certain additional amendments to the regulation were proposed by the Bureau of Financial Institutions.

The Commission, having considered the proposed amendments and all submissions made in this case, concludes that the proposed amendments, with certain modifications, should be adopted.

THEREFORE, IT IS ORDERED THAT:

(1) The amendments, attached hereto, are adopted effective March 10, 1998.

(2) The amended regulations shall be transmitted for publication in the Virginia Register.

(3) There being nothing further to be done in this matter, this case is dismissed and the papers herein shall be placed among the ended cases.

NOTE: A copy of the Attachment entitled "Chapter 60. Consumer Finance Companies" is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

CASE NO. BFI970075
MARCH 16, 1998

IN RE PETITION OF
AMERICAN GENERAL FINANCE OF AMERICA, INC.

For modification of 10 VAC 5-60-40, 10 VAC 5-60-50 and 10 VAC 5-70-10 et seq.

AMENDING ORDER

ON THIS DAY the Staff reported certain clerical errors in the text of the Order Adopting Regulations entered in this case on March 9, 1998. Accordingly,

IT IS ORDERED that the references in that prior order to 10 VAC 5-60-40 (F) and 10 VAC 5-60-60 (G), shall be amended to refer to 10 VAC 5-60-40 F and 10 VAC 5-60-50 G, respectively.

IT IS FURTHER ORDERED that an attested copy of this order be transmitted to the Virginia Register.

CASE NO. BFI980003
MARCH 18, 1998

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
FAIRFAX MORTGAGE INVESTMENTS, INC.,
Defendant

SETTLEMENT ORDER

ON A FORMER DAY, the Staff reported to the Commission that the Defendant is licensed to engage in business under Chapter 16 of Title 6.1 of the Code of Virginia; that during Bureau examinations it was found that the Defendant had violated various laws and regulations applicable to the conduct of its business; that upon being informed that the Commissioner of Financial Institutions intended to recommend the imposition of a fine therefor, the Defendant offered to settle this case by payment of a fine in the sum of ten thousand dollars ($10,000), tendered said sum to the Commonwealth of Virginia,

and waived its right to a hearing in the case; and the Commissioner recommended that the Commission accept Defendant's offer of settlement pursuant to authority granted under § 12.1-15 of the Code of Virginia.

ACCORDINGLY, IT IS ORDERED THAT:

(1) Defendant's offer in settlement of this case is accepted.

(2) This case is dismissed.

(3) The papers herein shall be placed in the file for ended causes.

CASE NO. BFI980005
MAY 14, 1998

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
1ST 2ND MORTGAGE COMPANY OF N.J., INC.,
Defendant

ORDER REVOKING LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions reported to the Commission that the Defendant is licensed to engage in business under Chapter 16 of Title 6.1 of the Code of Virginia; that the Defendant failed to file its annual report due March 1, 1998, as required by § 6.1-418 of the Code of Virginia; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on April 8, 1998, that he would propose that its license be revoked unless the annual report was filed by May 4, 1998, and that a written request for hearing was required to be filed in the office of the Clerk on or before April 24, 1998; and that no annual report or written request for hearing was received.

Accordingly, the Commission finds that the Defendant failed to file the annual report required by § 6.1-418 of the Code of Virginia, and

IT IS ORDERED that the license granted to the Defendant to engage in business as a mortgage lender and broker is hereby revoked.

CASE NO. BFI980007
MAY 14, 1998

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
1ST PROFESSIONAL MORTGAGE, INC.,
Defendant

ORDER REVOKING LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions reported to the Commission that the Defendant is licensed to engage in business under Chapter 16 of Title 6.1 of the Code of Virginia; that the Defendant failed to file its annual report due March 1, 1998, as required by § 6.1-418 of the Code of Virginia; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on April 8, 1998, that he would propose that its license be revoked unless the annual report was filed by May 4, 1998, and that a written request for hearing was required to be filed in the office of the Clerk on or before April 24, 1998; and that no annual report or written request for hearing was received.

Accordingly, the Commission finds that the Defendant failed to file the annual report required by § 6.1-418 of the Code of Virginia, and

IT IS ORDERED that the license granted to the Defendant to engage in business as a mortgage lender and broker is hereby revoked.

CASE NO. BFI980007
JUNE 4, 1998

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
1ST PROFESSIONAL MORTGAGE, INC.,
Defendant

ORDER REINSTATING A LICENSE

ON THIS DAY the Commissioner of Financial Institutions recommended to the Commission that the license revoked in this case be reinstated. Accordingly,

IT IS ORDERED that the Defendant's license to engage in business as a mortgage lender and broker is reinstated nunc pro tunc to May 14, 1998, and that the Order entered on that date revoking the Defendant's license shall be deemed a nullity for all purposes.

CASE NO. BFI980009
MAY 14, 1998

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
UNITED NATIONAL MORTGAGE CORPORATION, t/a NETWORK 1 MORTGAGE ACCESS GROUP,
Defendant

ORDER REVOKING LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions reported to the Commission that the Defendant is licensed to engage in business under Chapter 16 of Title 6.1 of the Code of Virginia; that the Defendant failed to file its annual report due March 1, 1998, as required by § 6.1-418 of the Code of Virginia; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on April 8, 1998, that he would propose that its license be revoked unless the annual report was filed by May 4, 1998, and that a written request for hearing was required to be filed in the office of the Clerk on or before April 24, 1998; and that no annual report or written request for hearing was received.

Accordingly, the Commission finds that the Defendant failed to file the annual report required by § 6.1-418 of the Code of Virginia, and

IT IS ORDERED that the license granted to the Defendant to engage in business as a mortgage lender is hereby revoked.

CASE NO. BFI980014
MAY 14, 1998

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
WASHINGTON FUNDING CORPORATION,
Defendant

ORDER REVOKING LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions reported to the Commission that the Defendant is licensed to engage in business under Chapter 16 of Title 6.1 of the Code of Virginia; that the Defendant failed to file its annual report due March 1, 1998, as required by § 6.1-418 of the Code of Virginia; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on April 8, 1998, that he would propose that its license be revoked unless the annual report was filed by May 4, 1998, and that a written request for hearing was required to be filed in the office of the Clerk on or before April 24, 1998; and that no annual report or written request for hearing was received.

Accordingly, the Commission finds that the Defendant failed to file the annual report required by § 6.1-418 of the Code of Virginia, and

IT IS ORDERED that the license granted to the Defendant to engage in business as a mortgage broker is hereby revoked.

CASE NO. BFI980019
MAY 14, 1998

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
C.U. MORTGAGE CENTRE, INC.,
Defendant

ORDER REVOKING LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions reported to the Commission that the Defendant is licensed to engage in business under Chapter 16 of Title 6.1 of the Code of Virginia; that the Defendant failed to file its annual report due March 1, 1998, as required by § 6.1-418 of the Code of Virginia; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on April 8, 1998, that he would propose that its license be revoked unless the annual report was filed by May 4, 1998, and that a written request for hearing was required to be filed in the office of the Clerk on or before April 24, 1998; and that no annual report or written request for hearing was received.

Accordingly, the Commission finds that the Defendant failed to file the annual report required by § 6.1-418 of the Code of Virginia, and

IT IS ORDERED that the license granted to the Defendant to engage in business as a mortgage broker is hereby revoked.

CASE NO. BFI980020
MAY 14, 1998

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
CAPITOL FUNDING, INC.,
Defendant

ORDER REVOKING LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions reported to the Commission that the Defendant is licensed to engage in business under Chapter 16 of Title 6.1 of the Code of Virginia; that the Defendant failed to file its annual report due March 1, 1998, as required by § 6.1-418 of the Code of Virginia; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on April 8, 1998, that he would propose that its license be revoked unless the annual report was filed by May 4, 1998, and that a written request for hearing was required to be filed in the office of the Clerk on or before April 24, 1998; and that no annual report or written request for hearing was received.

Accordingly, the Commission finds that the Defendant failed to file the annual report required by § 6.1-418 of the Code of Virginia, and

IT IS ORDERED that the license granted to the Defendant to engage in business as a mortgage broker is hereby revoked.

CASE NO. BFI980021
MAY 14, 1998

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
COMMONWEALTH MORTGAGE CORPORATION,
Defendant

ORDER REVOKING LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions reported to the Commission that the Defendant is licensed to engage in business under Chapter 16 of Title 6.1 of the Code of Virginia; that the Defendant failed to file its annual report due March 1, 1998, as required by § 6.1-418 of the Code of Virginia; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on April 8, 1998, that he would propose that its license be revoked unless the annual report was filed by May 4, 1998, and that a written request for hearing was required to be filed in the office of the Clerk on or before April 24, 1998; and that no annual report or written request for hearing was received.

Accordingly, the Commission finds that the Defendant failed to file the annual report required by § 6.1-418 of the Code of Virginia, and

IT IS ORDERED that the license granted to the Defendant to engage in business as a mortgage broker is hereby revoked.

CASE NO. BFI980023
MAY 14, 1998

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
E. M. WILLIS MORTGAGE CORPORATION,
Defendant

ORDER REVOKING LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions reported to the Commission that the Defendant is licensed to engage in business under Chapter 16 of Title 6.1 of the Code of Virginia; that the Defendant failed to file its annual report due March 1, 1998, as required by § 6.1-418 of the Code of Virginia; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on April 8, 1998, that he would propose that its license be revoked unless the annual report was filed by May 4, 1998, and that a written request for hearing was required to be filed in the office of the Clerk on or before April 24, 1998; and that no annual report or written request for hearing was received.

Accordingly, the Commission finds that the Defendant failed to file the annual report required by § 6.1-418 of the Code of Virginia, and

IT IS ORDERED that the license granted to the Defendant to engage in business as a mortgage broker is hereby revoked.

CASE NO. BFI980023
JUNE 4, 1998

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
E. M. WILLIS MORTGAGE CORPORATION,
Defendant

ORDER REINSTATING A LICENSE

ON THIS DAY the Commissioner of Financial Institutions recommended to the Commission that the license revoked in this case be reinstated. Accordingly,

IT IS ORDERED that the Defendant's license to engage in business as a mortgage broker is reinstated nunc pro tunc to May 14, 1998, and that the Order entered on that date revoking the Defendant's license shall be deemed a nullity for all purposes.

CASE NO. BFI980025
MAY 14, 1998

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
EQUITY MORTGAGE OF MARYLAND, INC.,
Defendant

ORDER REVOKING LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions reported to the Commission that the Defendant is licensed to engage in business under Chapter 16 of Title 6.1 of the Code of Virginia; that the Defendant failed to file its annual report due March 1, 1998, as required by § 6.1-418 of the Code of Virginia; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on April 8, 1998, that he would propose that its license be revoked unless the annual report was filed by May 4, 1998, and that a written request for hearing was required to be filed in the office of the Clerk on or before April 24, 1998; and that no annual report or written request for hearing was received.

Accordingly, the Commission finds that the Defendant failed to file the annual report required by § 6.1-418 of the Code of Virginia, and

IT IS ORDERED that the license granted to the Defendant to engage in business as a mortgage lender and broker is hereby revoked.

CASE NO. BFI980025
JUNE 4, 1998

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
EQUITY MORTGAGE OF MARYLAND, INC.,
Defendant

ORDER REINSTATING A LICENSE

ON THIS DAY the Commissioner of Financial Institutions recommended to the Commission that the license revoked in this case be reinstated. Accordingly,

IT IS ORDERED that the Defendant's license to engage in business as a mortgage lender and broker is reinstated nunc pro tunc to May 14, 1998, and that the Order entered on that date revoking the Defendant's license shall be deemed a nullity for all purposes.

CASE NO. BFI980027
MAY 14, 1998

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
FIRST DOMINION MORTGAGE CORPORATION,
Defendant

ORDER REVOKING LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions reported to the Commission that the Defendant is licensed to engage in business under Chapter 16 of Title 6.1 of the Code of Virginia; that the Defendant failed to file its annual report due March 1, 1998, as required by § 6.1-418 of the Code of Virginia; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on April 8, 1998, that he would propose that its license be revoked unless the annual report was filed by May 4, 1998, and that a written request for hearing was required to be filed in the office of the Clerk on or before April 24, 1998; and that no annual report or written request for hearing was received.

Accordingly, the Commission finds that the Defendant failed to file the annual report required by § 6.1-418 of the Code of Virginia, and

IT IS ORDERED that the license granted to the Defendant to engage in business as a mortgage lender and broker is hereby revoked.

CASE NO. BFI980032
MAY 14, 1998

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
WALDEN T. HUNTER, JR., t/a HUNTER MORTGAGE AND FINANCIAL SERVICES,
Defendant

ORDER REVOKING LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions reported to the Commission that the Defendant is licensed to engage in business under Chapter 16 of Title 6.1 of the Code of Virginia; that the Defendant failed to file its annual report due March 1, 1998, as required by § 6.1-418 of the Code of Virginia; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on April 8, 1998, that he would propose that its license be revoked unless the annual report was filed by May 4, 1998, and that a written request for hearing was required to be filed in the office of the Clerk on or before April 24, 1998; and that no annual report or written request for hearing was received.

Accordingly, the Commission finds that the Defendant failed to file the annual report required by § 6.1-418 of the Code of Virginia, and

IT IS ORDERED that the license granted to the Defendant to engage in business as a mortgage broker is hereby revoked.

CASE NO. BFI980036
MAY 14, 1998

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
METROPOLITAN MORTGAGE CORPORATION,
Defendant

ORDER REVOKING LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions reported to the Commission that the Defendant is licensed to engage in business under Chapter 16 of Title 6.1 of the Code of Virginia; that the Defendant failed to file its annual report due March 1, 1998, as required by § 6.1-418 of the Code of Virginia; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on April 8, 1998, that he would propose that its license be revoked unless the annual report was filed by May 4, 1998, and that a written request for hearing was required to be filed in the office of the Clerk on or before April 24, 1998; and that no annual report or written request for hearing was received.

Accordingly, the Commission finds that the Defendant failed to file the annual report required by § 6.1-418 of the Code of Virginia, and

IT IS ORDERED that the license granted to the Defendant to engage in business as a mortgage broker is hereby revoked.

CASE NO. BFI980039
MAY 14, 1998

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
MORTGAGE CORPORATION OF AMERICA, INC.,
Defendant

ORDER REVOKING LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions reported to the Commission that the Defendant is licensed to engage in business under Chapter 16 of Title 6.1 of the Code of Virginia; that the Defendant failed to file its annual report due March 1, 1998, as required by § 6.1-418 of the Code of Virginia; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on April 8, 1998, that he would propose that its license be revoked unless the annual report was filed by May 4, 1998, and that a written request for hearing was required to be filed in the office of the Clerk on or before April 24, 1998; and that no annual report or written request for hearing was received.

Accordingly, the Commission finds that the Defendant failed to file the annual report required by § 6.1-418 of the Code of Virginia, and

IT IS ORDERED that the license granted to the Defendant to engage in business as a mortgage broker is hereby revoked.

CASE NO. BFI980041
MAY 14, 1998

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
N. THOMAS POFF,
Defendant

ORDER REVOKING LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions reported to the Commission that the Defendant is licensed to engage in business under Chapter 16 of Title 6.1 of the Code of Virginia; that the Defendant failed to file his annual report due March 1, 1998, as required by § 6.1-418 of the Code of Virginia; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on April 8, 1998, that he would propose that Defendant's license be revoked unless the annual report was filed by May 4, 1998, and that a written request for hearing was required to be filed in the office of the Clerk on or before April 24, 1998; and that no annual report or written request for hearing was received.

Accordingly, the Commission finds that the Defendant failed to file the annual report required by § 6.1-418 of the Code of Virginia, and

IT IS ORDERED that the license granted to the Defendant to engage in business as a mortgage broker is hereby revoked.

CASE NO. BFI980045
MAY 14, 1998

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
ORION FINANCIAL SERVICES, INC.,
Defendant

ORDER REVOKING LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions reported to the Commission that the Defendant is licensed to engage in business under Chapter 16 of Title 6.1 of the Code of Virginia; that the Defendant failed to file its annual report due March 1, 1998, as required by § 6.1-418 of the Code of Virginia; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on April 8, 1998, that he would propose that its license be revoked unless the annual report was filed by May 4, 1998, and that a written request for hearing was required to be filed in the office of the Clerk on or before April 24, 1998; and that no annual report or written request for hearing was received.

Accordingly, the Commission finds that the Defendant failed to file the annual report required by § 6.1-418 of the Code of Virginia, and

IT IS ORDERED that the license granted to the Defendant to engage in business as a mortgage lender and broker is hereby revoked.

CASE NO. BFI980047
MAY 14, 1998

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
REALTY FINANCIAL SERVICES, INC.,
Defendant

ORDER REVOKING LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions reported to the Commission that the Defendant is licensed to engage in business under Chapter 16 of Title 6.1 of the Code of Virginia; that the Defendant failed to file its annual report due March 1, 1998, as required by § 6.1-418 of the Code of Virginia; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on April 8, 1998, that he would propose that its license be revoked unless the annual report was filed by May 4, 1998, and that a written request for hearing was required to be filed in the office of the Clerk on or before April 24, 1998; and that no annual report or written request for hearing was received.

Accordingly, the Commission finds that the Defendant failed to file the annual report required by § 6.1-418 of the Code of Virginia, and

IT IS ORDERED that the license granted to the Defendant to engage in business as a mortgage broker is hereby revoked.

CASE NO. BFI980049
MAY 14, 1998

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
SAMSON UNIVERSAL MORTGAGE CORPORATION, t/a SUMCO MORTGAGE PROCESSING CENTERS,
Defendant

ORDER REVOKING LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions reported to the Commission that the Defendant is licensed to engage in business under Chapter 16 of Title 6.1 of the Code of Virginia; that the Defendant failed to file its annual report due March 1, 1998, as required by § 6.1-418 of the Code of Virginia; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on April 8, 1998, that he would propose that its license be revoked unless the annual report was filed by May 4, 1998, and that a written request for hearing was required to be filed in the office of the Clerk on or before April 24, 1998; and that no annual report or written request for hearing was received.

Accordingly, the Commission finds that the Defendant failed to file the annual report required by § 6.1-418 of the Code of Virginia, and

IT IS ORDERED that the license granted to the Defendant to engage in business as a mortgage broker is hereby revoked.

CASE NO. BFI980054
SEPTEMBER 2, 1998

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
SENKO FINANCIAL SERVICES, INC. (MB-1028),
Defendant

ORDER REVOKING LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions reported to the Commission that the Defendant, Senko Financial Services, Inc., is licensed to engage in business as a mortgage broker under Chapter 16 of Title 6.1 of the Code of Virginia; that a bond filed by the Defendant pursuant to § 6.1-413 of the Code of Virginia was canceled on April 5, 1998; that the Commissioner gave written notice to the Defendant by certified mail on July 15, 1998, that its license would be revoked on August 7, 1998, unless a new bond were filed by that date or a written request for hearing filed in the Office of the Clerk of the Commission on or before July 30, 1998; and that no new bond or written request for hearing has been filed by the Defendant.

Accordingly, the Commission finds that the Defendant has failed to maintain in force a bond, as required by § 6.1-413 of the Code of Virginia, and it is

ORDERED that the license granted to Senko Financial Services, Inc. to engage in business as a mortgage broker be, and it is hereby, revoked.

CASE NO. BFI980055
SEPTEMBER 2, 1998

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
ADVANTAGE HOME MORTGAGE CO. (MB-674),
Defendant

ORDER REVOKING LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions reported to the Commission that the Defendant, Advantage Home Mortgage Co. is licensed to engage in business as a mortgage broker under Chapter 16 of Title 6.1 of the Code of Virginia; that a bond filed by the Defendant pursuant to § 6.1-413 of the Code of Virginia was canceled on March 22, 1998; that the Commissioner gave written notice to the Defendant by certified mail on July 15, 1998, that its license would be revoked on August 7, 1998, unless a new bond were filed by that date or a written request for hearing filed in the Office of the Clerk of the Commission on or before July 30, 1998; and that no new bond or written request for hearing has been filed by the Defendant.

Accordingly, the Commission finds that the Defendant has failed to maintain in force a bond, as required by § 6.1-413 of the Code of Virginia, and it is

ORDERED that the license granted to Advantage Home Mortgage Co. to engage in business as a mortgage broker be, and it is hereby, revoked.

CLERK'S OFFICE

CASE NO. CLK960626
NOVEMBER 19, 1998

CHESAPEAKE BAY SEAFOOD HOUSE ASSOCIATES, L.P.,
Petitioner
v.
COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION,
Defendant

ORDER OF DISMISSAL

This matter is before the Commission on the Petition of Chesapeake Bay Seafood House Associates, L.P., the Brief in Support of Petitioner's Petition, and the Staff's Motion to Dismiss. The Commission has been advised by Staff counsel that the Staff and Petitioner, by their respective counsel, jointly request the dismissal of this case, without prejudice.

THE COMMISSION, upon consideration of this matter, is of the opinion and finds that the request should be granted. It is, therefore,

ORDERED that this case is dismissed without prejudice from the Commission's docket and that the papers herein be placed in the file for ended causes.

CASE NO. CLK970625
MARCH 20, 1998

PETITION OF
GEORGE O'NALE

To seek formal resolution of an informal complaint

FINAL ORDER

By order dated December 4, 1997, the Commission established this case to consider a request from George O'Nale ("Petitioner") for a formal proceeding to review an informal resolution of a dispute set forth in a letter dated July 24, 1997, from Commissioner Moore to Petitioner. As noted in that order, Petitioner's complaint concerns his efforts to be granted access to certain documents, records and materials of the Commission regarding Case No. PUE910050, a previously pending application by Appalachian Power Company to build a high-voltage transmission line in Virginia.

Specifically, Petitioner's letter of June 11, 1997, to our Office of General Counsel stated that his request was being filed under the Virginia Freedom of Information Act, Va. Code § 2.1-340 et seq., ("VFOIA" or "Act"), and that he sought the following material:

> A copy of any and all correspondence between the Virginia State Corporation Commission (VaSCC) and any representatives of American Electric Power...and/or any VaSCC staff and personnel concerning the Commission's Interim Order of December 13, 1995. This request includes all Official Records and Meetings, including any Closed or informal meetings, and/or any records, documents, "to record" memos, draft papers and/or orders, along with all materials relied on by the VaSCC staff and personnel to advance and reach the December 13, 1995 Interim Order beginning from the date of December 6, 1994 until that Interim Order was issued. Please also include any phone or fax records, phone notes, meeting minutes, data sheets, figures, tables, maps, appendices, and worksheets. Any documents discussing or concerning making such materials "confidential", or otherwise removed from public documents or scrutiny by any involved party to the Interim Order should also be included.

This letter resulted in a lengthy series of correspondence between members of our Staff, and ultimately Commissioner Moore, and Petitioner, all of which was made part of the record of this case by our order of December 4, 1997.

That order permitted Petitioner and our Staff to submit further materials and arguments by dates specified therein. Staff filed no additional material. Petitioner filed a letter dated December 18, 1997, in which he argued that the withdrawal of the powerline application by the company had no relevance to this matter.[1] Petitioner's letter also continued to question the Commission's position on the applicability of the VFOIA to his request.

[1] The Commission entered an order in Case No. PUE910050 on November 7, 1997, granting the company leave to withdraw its pending application. By order of the same date, in Case No. PUE970766, the Commission directed notice and hearing in regard to a different powerline route proposed by the company. Even before these orders, Petitioner had acknowledged his property was not affected by the previous application (Petitioner's letters, June 25, 1997, and June 30, 1997), and the presently proposed route is even farther away.

We have reviewed Petitioner's VFOIA request, his further correspondence, the responses of Commissioner Moore and the Staff and the applicable law. We believe the matter is now ripe for decision.

Commission Rules of Practice and Procedure ("Rules") 3:3 and 5:4 have similar objects. They provide an impetus for informal resolution of concerns existing between the Staff of this Commission and other entities. The contacts between the Commission and Petitioner, culminating with the letter of July 24, 1997, were an attempt to resolve the present matter informally, as contemplated by those Rules.

If a matter cannot be resolved in such fashion, as it has not been here, the Rules provide further avenues of relief. Rule 3:4, for example, states that upon

> written petition of any person in interest dissatisfied with any action taken by a division of the Commission, or by its failure to act, resulting from disputed facts or from disputed statutory interpretation or application, the Commission will set the matter for hearing. If the dispute be one of law only, in lieu of a hearing, the Commission may order a stipulation of facts and submission of the issues and argument by written briefs. Oral argument in any such case shall be with the consent of the Commission.

In a similar vein, Rule 5:6 provides:

> [u]pon petition of any aggrieved party,...the Commission will convert any unresolved valid complaint to a formal proceeding by the issuance of a rule to show cause, or by an appropriate order setting a formal hearing....

Our order of December 4, 1997, treated Petitioner's letter to Commissioner Moore of September 8, 1997, as "a petition of the type described in Rules 3:4 and 5:6." As noted earlier, the order also made certain documents part of the record, and allowed the Petitioner and Staff to submit further material. The order then concluded:

> After the said dates for additional submissions have passed, the Commission will determine the matter consistent with the Commission's Rules and applicable law.

The initial question to be resolved is whether an ore tenus hearing or oral argument must or should be granted before we render a final decision herein.

We find that this dispute is "one of law only" as described in Rule 3:4. There are no facts genuinely in controversy here. Simply stated, Petitioner made a request for certain documents under the VFOIA. Commissioner Moore and Staff disputed the applicability of the VFOIA, while offering Petitioner access to some such documents pursuant to statutes specifically applicable to the Commission.

Further, our incorporation into this record of the various materials itemized in our December 4, 1997, order, plus the opportunity given there for Petitioner and Staff to file additional materials or arguments, constitutes a "stipulation of facts and submission of the issues and argument by written briefs" in the words of Rule 3:4. Again, from these materials it is clear that the dispute is one of law and not of facts.

Thus, a hearing is not necessary under Rule 3:4. Oral argument under such Rule is only by consent of the Commission, which we withhold here.

In addition, we find that Petitioner's request under the FOIA does not amount to an "unresolved valid complaint" under Rule 5:6. The complaint may be unresolved, in Petitioner's view, but it is not valid, as we will explain below. Thus, no hearing is necessary under Rule 5:6, since that Rule provides for an "order setting a formal hearing" only for complaints which are both valid and unresolved.

Next, we take up the substantive legal issues raised herein. Petitioner has based his request on the VFOIA, and argues that the Commission is subject to the Act. Although we do not agree with that contention, we find that it is not necessary, given the posture of this case, and in the interests of judicial economy, to decide that issue. Rather, we may dispose of the VFOIA contention on more narrow grounds, as did the Virginia Supreme Court in the case of Atlas Underwriters v. SCC, 237 Va. 45 (1989). That case held that

> insofar as Code § 2.1-346 may be construed to apply to the SCC, it offends Article IX, § 4, of the Virginia Constitution.

Virginia Code § 2.1-346 contains the enforcement provisions of the VFOIA, as it did in 1989 when Atlas was decided. Then, that section placed enforcement authority and jurisdiction in the Circuit Court for the City of Richmond. Since that time, both § 2.1-346 and the entire VFOIA have been amended a number of times, but none of these amendments has addressed the situation identified in Atlas. We thus rely on the ruling in that case. If the Act's enforcement provisions cannot be constitutionally applied to the Commission, there is no reason for us to decide the broader question of the applicability of the Act to the Commission, and we decline to do so.

Does this mean that our records are closed to the public? Certainly not. As the Commission's Solicitor General, Stewart Farrar, stated in his letter to Petitioner dated June 25, 1997, the "Commission is subject to a different set of laws which provide for access to information." One such statute is Va. Code § 12.1-19, which states, in part, that our Clerk is to have custody of and preserve all the records, documents, papers, and files of the Commission, which

> shall be open to public examination in the Office of the clerk to the same extent as the records and files of the courts of this Commonwealth....

(Emphasis Supplied.)

Mr. Farrar continued:

> In general, therefore, our official records of case proceedings are made readily available to litigants, members of the public, media, etc., pursuant to a set of statutes completely apart from the [VFOIA].
>
> In that regard, the official record of the hearings and proceedings conducted to date in this matter, Case No. PUE910050, are available for your examination in the Clerk's Office during business hours, or we can provide copies of any documents from that file you may request, upon payment of reproduction charges. If you desire copies of documents in the case file from December 6, 1994, until December 13, 1995, for example, I will be glad to have a list prepared for you of such documents, and the copying charges. Please advise me, in writing, if you want this list provided.

While the first portion of § 12.1-19 requires the Clerk to maintain records of all "proceedings, orders, findings, and judgments of the public sessions of the Commission," (emphasis supplied), many of the items sought by Petitioner do not constitute records of the "public sessions" of the Commission, nor are they the type of record or files which would be open to "public examination" in the courts of this Commonwealth. Petitioner seeks, for example, "draft...orders."[2] We cannot imagine any court of this Commonwealth making its draft orders available for public perusal, and, even if any such drafts exist here, we decline Petitioner's request for access to them.[3] The same infirmity attaches to many other items Petitioner seeks, as best we can understand his descriptions. As an example, he seeks

> any phone or fax records, phone notes, meeting minutes, data sheets, figures, tables, maps, appendices, and worksheets.[4]

Some such items may, of course, have been admitted into the official record of the case.[5] To the extent they have not been so included, however, we decline to broaden coverage of § 12.1-19 to matters outside the record of this case.

ACCORDINGLY, IT IS ORDERED THAT:

1. Petitioner's request for documents and other materials under the VFOIA is denied.

2. Petitioner is welcome, as are all members of the public, to examine the case record in Case No. PUE910050 pursuant to the provisions of Va. Code § 12.1-19.

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[2] Petitioner's letter of June 11, 1997.

[3] Va. Code § 12.1-26 provides that the Commission's "findings, decisions, and judgments shall be made public forthwith." That section obviously does not intend that draft decisions be public information.

[4] Petitioner's letter of June 11, 1997.

[5] We have no idea whether Petitioner has examined the official case file to see if any of the materials he seeks may be found there.

BUREAU OF INSURANCE

CASE NO. INS860273
AUGUST 4, 1998

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
THE RIGHT WORTHY GRAND COUNCIL INDEPENDENT ORDER OF ST. LUKE
and
WILLIAM CLAY WILEY, TREASURER OF VIRGINIA,
Defendants

ORDER AUTHORIZING DISTRIBUTION TO UNCLAIMED PROPERTY DIVISION

WHEREAS, the Special Deputy Receiver for The Right Worthy Grand Council Independent Order of St. Luke (the "Order") has reported to the Commission that the sum of Forty-Seven Thousand, One Hundred Seventy-one and 79/100 Dollars ($47,171.79) remains to be distributed as provided in the Amended Plan of Liquidation previously approved and adopted herein to the holders of certificates issued by the Order and/or to beneficiaries thereunder; and

WHEREAS, it appears that the Special Deputy Receiver and his predecessors have made diligent but unsuccessful efforts to locate the persons entitled to receive distributions from the aforesaid sum and to make the appropriate distributions; and

WHEREAS, it appears that the remaining unpaid distributions to certificate holders and beneficiaries constitute unclaimed property as defined in The Uniform Disposition of Unclaimed Property Act (Chapter 11.1, Title 55 of the Code of Virginia) and that the total amount thereof should be delivered to the Treasurer of Virginia as provided in the Act,

IT IS ORDERED that The Special Deputy Receiver be, and he is hereby, authorized and directed to deliver to the Treasurer of Virginia, pursuant to the provisions of The Uniform Disposition of Unclaimed Property Act, the sum of Forty-seven thousand, One Hundred Seventy-one and 79/100 Dollars ($47,171.79) from the remaining assets of the Order, together with such information in his possession as may be required to be furnished to the Treasurer or that may otherwise be requested by the Treasurer in connection therewith.

CASE NO. INS860273
DECEMBER 15, 1998

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
THE RIGHT WORTHY GRAND COUNCIL INDEPENDENT ORDER OF ST. LUKE,
and
WILLIAM CLAY WILEY, TREASURER OF VIRGINIA,
Defendants

FINAL ORDER

WHEREAS, by order of the Circuit Court of the City of Richmond dated September 25, 1986, the Commission was appointed Receiver for The Right Worthy Grand Council Independent Order of St. Luke, a fraternal benefit society licensed to transact the business of insurance in accordance with Chapter 41 of Title 38.2 of the Code of Virginia (the "Order"), to rehabilitate or liquidate the insurance affairs of the Order and to take other appropriate steps authorized by Chapter 15 of Title 38.2 of the Code of Virginia as the Commission deemed advisable in the best interest of the Order, its member-policyholders and creditors, and the public;

WHEREAS, by order entered herein October 1, 1986, the Commission, upon recommendation of the Bureau of insurance, appointed a Special Deputy Receiver of the Order and delegated to the Special Deputy Receiver all powers of the Commission necessary to carry out the rehabilitation or liquidation of the Order's insurance affairs;

WHEREAS, by order entered herein February 10, 1987, the Commission, upon recommendation of the Special Deputy Receiver, found that the best interest of the Order, its member-policyholders and creditors, and the public required that its insurance affairs be restructured pursuant to a plan of liquidation that would enable the Order to qualify as a society exempt from regulation under the provisions of § 38.2-4135 of the Code of Virginia and directed that the Special Deputy Receiver give the Order's member-policyholders notice of the plan and of their rights and duties thereunder; and

WHEREAS, the aforesaid plan of liquidation, upon further recommendation of the Special Deputy Receiver, was amended by order entered herein October 27, 1987, to provide that all policies issued by the Order then outstanding would be terminated as of November 30, 1987, all remaining member-policyholders of the Order would be notified of the termination of their policies, and each member-policyholder would be entitled to an amount approximately equal to the legal reserve value of such policyholder's outstanding policy; and

WHEREAS, the Final Report of the Special Deputy Receiver dated December 11, 1998, and filed with the Commission on December 11, 1998, provides that notice of termination of the Order's policies was given by mail to each member-policyholder at his or her last known address and to all member-policyholders by publication in newspapers of general circulation, that the payments as provided for in the amended plan of liquidation were disbursed to member-policyholders to the extent sufficient information existed to do so, that the Special Deputy Receiver, as directed by the order entered herein August 4, 1998, has disbursed to the Treasurer of Virginia as unclaimed property the sum of forty-seven thousand, one hundred seventy-one and 79/100 dollars ($47,171.79) representing the total of the amounts due all former member-policyholders who have not been located or who have not claimed the sum due them under the amended plan of liquidation, and that, except as hereinafter provided, there remains nothing further to be done to complete the liquidation of the insurance affairs of the Order; and

WHEREAS, the Final Report of the Special Deputy Receiver also provides that, after the disbursement of unclaimed property to the Treasurer of Virginia and the payment of all remaining expenses of the receivership, there remains approximately forty-four thousand nine hundred forty-nine and 75/100 dollars ($44,949.75) from the liquidation of the insurance affairs of the Order, that the surviving Trustees of the Order have requested the Commission to deliver all such remaining funds attributable to the Order's insurance affairs to Virginia Union University to establish a scholarship fund in the name of the Order for worthy and deserving students enrolled in the Sidney Lewis School of Business and that such distribution would constitute an appropriate use of such remaining funds,

IT IS ORDERED THAT:

(1) The Final Report of the Special Deputy Receiver dated December 11, 1998, and filed with the Commission on December 11, 1998, be, and it is hereby, approved;

(2) All action heretofore taken by the Special Deputy Receiver, be, and it is hereby, approved, adopted, and ratified;

(3) The Special Deputy Receiver be, and he is hereby, authorized and directed to deliver the cash proceeds remaining from the liquidation of the insurance affairs of the Order to Virginia Union University for the purpose of establishing a scholarship in the name of the Order for worthy and deserving students enrolled in its Sidney Lewis School of Business and to deliver any other remaining unliquidated assets of the Order to the Trustees of the Order;

(4) The Special Deputy Receiver be, and he is hereby, authorized and directed to dispose of any unnecessary records of the Order by reducing the records to any appropriate medium or by destroying the records at his discretion;

(5) The Special Deputy Receiver be, and he is hereby, designated as the individual charged with handling all post-closing matters, including but not limited to preserving and keeping all necessary records of the Order for a period of five (5) years, after which they are to be destroyed unless needed for unresolved receivership matters;

(6) Except as otherwise specifically set forth herein, the Special Deputy Receiver be, and he is hereby, discharged from all further responsibility for the affairs of the Order and any and all claims, demands, and causes of action of every kind which may arise from or be connected with the administration of this receivership;

(7) This case be, and it is hereby, dismissed; and

(8) The papers herein be placed in the file for ended causes.

CASE NO. INS880382
FEBRUARY 17, 1998

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
MAXICARE VIRGINIA, L.P.

FINAL ORDER CLOSING ESTATE AND DISCHARGING RECEIVER

CAME ON THIS DAY to be heard the Receiver's FINAL REPORT AND APPLICATION TO CLOSE RECEIVERSHIP of Alfred W. Gross, Receiver of Maxicare Virginia, L.P. ("Maxicare"), by counsel, seeking approval of his FINAL REPORT and an Order closing the Receivership and designating certain closing procedures.

After due consideration, the Commission has found the following:

1. As shown by the records in this cause, Maxicare, a health maintenance organization authorized to do business in this Commonwealth, was placed in receivership by Order of this Commission on September 9, 1988, and such receivership has at all times since been open and pending. As part of the Order placing Maxicare in receivership, this Commission appointed movant's predecessor, Steven T. Foster, to serve as Receiver of Maxicare in accordance with the provisions of Va. Code Ann. § 38.2-1500 *et seq.*, and other applicable law.

2. On September 9, 1988, the Receiver entered into an Agreement of Sale ("Agreement") with Sentara Health Plans, Inc., a Virginia Corporation ("Sentara"), whereby all health care transactions and claims became the responsibility of Sentara. Pursuant to that same Agreement, Sentara purchased certain assets and assumed certain liabilities of Maxicare according to the terms set forth in the Agreement, all in accordance with the Receivership Order.

3. All notices required by Virginia Code §§ 38.2-1500 through 38.2-1521, and by Order of this Commission have been furnished by the Receiver, including the notification of all actual and potential creditors of Maxicare informing them that all claims against the estate were to be presented to the Receiver no later than November 15, 1988, at such place and on such form as the Receiver was to establish. Thereafter, by Order dated June 14, 1990, this Commission extended the claim filing deadline or "bar date" until August 31, 1990. Pursuant to the above-referenced Order, the Receiver mailed notice of this bar date to its enrollees and known creditors, and published notification of same for unknown creditors so that all claims could be filed on or before the claim filing deadline, which has long since expired. As a means of more fully protecting the rights of all parties with claims against the Receivership Estate, in that same Order, the Receiver was authorized to deny all claims presented after that date. All claims known to the Receiver which were not timely and properly filed in accordance with the procedures and deadlines prescribed by this Commission have been rejected and denied.

4. On November 29, 1988, Maxicare and Sentara entered into a Release, Compromise and Settlement Agreement ("RCSA") to compromise and settle their differences relating to certain claims made by Sentara against Maxicare including, but not limited to, claims for premiums collected by Maxicare but alleged to belong to Sentara. Pursuant to the RCSA, a true and accurate copy of which was filed with the Application as Exhibit C, effective November 30, 1988, Maxicare and Sentara fully and finally put to rest all claims relating to any potential liability Maxicare may have to Sentara.

5. On November 26, 1991, a Compromise and Settlement Agreement ("CSA") was made and entered into by and between the Receiver; Health Care Associates, Ltd., and its General Partner, CRC Equities, Inc. ("CRC"); the New Creditors Committee of Maxicare ("NCC") and the Reorganized Maxicare and its affiliates, including the Health America affiliates and those affiliated companies now or previously in bankruptcy ("RM"). A true and accurate copy of the CSA was filed with the Application as Exhibit D. Therein, the parties did fully and forever compromise and release any and all claims against each other, whether or not previously asserted. Moreover, the parties agreed that no claims against the Receiver or Maxicare by or in favor of CRC, NCC and/or RM would survive the CSA, except a claim for breach of the CSA and distributions expressly contemplated in the CSA after payment of claims of superior priority. To that end, the CSA established a distribution scheme for residual funds to be implemented at the discretion of the Receiver.

6. The Receiver as part of this Application, seeks this Commission's final approval of all distributions and settlements made in conjunction with this Receivership as summarized above and as more specifically identified in the Receiver's Proposed Distribution of Remaining Assets, filed with the Application as Exhibit F. Moreover, the Receiver requests that the Commission approve, adopt and ratify all action taken by the Receiver heretofore, as described in the FINAL REPORT.

7. In order to preserve all claims information, the Receiver requests that this Commission authorize the Receiver to file such information with the Commissioner of Insurance for the Commonwealth of Virginia ("Commissioner") in hard copies or other appropriate medium. The Receiver further proposes that any Order issued by this Commission should charge the Commissioner with the duty to preserve and keep all Maxicare records for a period of five (5) years, after which they are to be destroyed unless needed for unresolved Receivership matters.

8. All Receivership assets or liabilities known to the Receiver have been identified and marshaled as set forth in the financial statement filed with the Application as Exhibit E. Thus, the Receiver seeks an Order approving the above referenced financial statement and all other reports made in this matter including his FINAL REPORT.

9. As part of his responsibilities for closing the estate, the Receiver requests authority to contract now for the preparation and filing in 1999 of a closing federal income tax return.

10. The financial statement filed with the Application as Exhibit E, reflects the total of Receivership assets remaining in the possession of the Receiver. After deducting therefrom the funds set aside for the Accrued Receivership Expenses (including the Receiver's closing expenses), a balance of Receivership assets remains to be distributed among the creditors of the Receivership Estate. The Receiver proposes, upon the approval of this Commission, to distribute these funds in accordance with the Compromise and Settlement Agreement ("CSA") regarding residual funds. Further, the Receiver proposes that, should the Receiver's reserve for accrued receivership expenses (including closure expenses) exceed the actual expenses incurred, a second distribution in accordance with the CSA scheme be made to dispose of the remainder of the receivership assets.

Accordingly, IT IS ORDERED THAT:

(1) The FINAL REPORT AND APPLICATION TO CLOSE RECEIVERSHIP is accepted and approved in all respects.

(2) The Commission hereby approves, adopts and ratifies all action taken by the Receiver heretofore, as described in the FINAL REPORT.

(3) All distributions and settlements made prior to and in conjunction with this Application are hereby approved.

(4) The Receiver is authorized and directed to preserve all claims information by filing such information with the Commissioner in hard copies or other appropriate medium.

(5) The Receiver is authorized to dispose of any unnecessary records of Maxicare by reducing the records to any appropriate medium, or by destroying the records at the discretion of the Receiver.

(6) The Receiver is authorized to contract now for the preparation and filing in 1999 of a closing federal income tax return for the estate.

(7) The Compromise and Settlement Agreement regarding residual fund distribution is approved and should be implemented.

(8) The Receiver is authorized to retain the current balance of Receivership assets as identified on the financial statement and to distribute same in accordance with the Receiver's Proposed Distribution of Remaining Assets.

(9) The Commissioner is designated as the individual charged with handling all post-closing matters, including but not limited to preserving and keeping all necessary Maxicare records for a period of five (5) years, after which they are to be destroyed unless needed for unresolved Receivership matters.

(10) The Receiver and his Deputies are discharged from all further responsibility for the affairs of Maxicare Virginia, L.P., and any and all claims, demands and causes of action of every kind which may arise from or be connected with the administration of this Receivership.

(11) The Receiver is authorized to take all other such actions as he may deem necessary and proper in order to facilitate the closing of the estate.

(12) These Receivership proceedings are now closed.

CASE NO. INS890240
MARCH 31, 1998

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
VILLANOVA INSURANCE COMPANY (FORMERLY AMERICAN POLICYHOLDERS' INSURANCE COMPANY),
Defendant

VACATING ORDER

GOOD CAUSE having been shown, the Order Suspending License entered herein May 3, 1989, is hereby vacated.

CASE NO. INS890240
APRIL 14, 1998

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
VILLANOVA INSURANCE COMPANY (FORMERLY AMERICAN POLICYHOLDERS' INSURANCE COMPANY),
Defendant

AMENDED VACATING ORDER

GOOD CAUSE having been shown,

IT IS ORDERED THAT:

(1) The Order Suspending License entered herein May 3, 1989, is hereby vacated; and

(2) The papers herein be placed in the file for ended causes.

CASE NO. INS930010
MARCH 24, 1998

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
INSURANCE CORPORATION OF AMERICA,
Defendant

ORDER REVOKING LICENSE

WHEREAS, § 38.2-1040 of the Code of Virginia provides, inter alia, that the Commission may suspend or revoke the license of any insurance company to transact the business of insurance in the Commonwealth of Virginia whenever the Commission finds that the Company is insolvent, or is in a condition that any further transaction of business in this Commonwealth is hazardous to its policyholders, creditors and public in this Commonwealth;

WHEREAS, for the reasons stated in an order entered herein July 10, 1997, Defendant was ordered to take notice that the Commission would enter an order subsequent to July 30, 1997, revoking the license of Defendant to transact the business of insurance in the Commonwealth of Virginia unless on or before July 30, 1997 Defendant filed with the Clerk of the Commission a request for a hearing before the Commission to contest the proposed revocation of Defendant's license;

WHEREAS, by letter dated July 25, 1997, Jo Ann Howard, Deputy Receiver of Defendant, filed a timely request for a hearing with the Clerk of the Commission;

WHEREAS, by rule to show cause entered herein January 20, 1998, Defendant was ordered to appear at a hearing before the Commission on April 1, 1998, and show cause why the Commission should not revoke Defendant's license to transact the business of insurance in this Commonwealth;

WHEREAS, by General Continuance Order entered herein March 16, 1998, the hearing scheduled for April 1, 1998 was continued until further order by the Commission; and

WHEREAS, by letters dated March 17, 1998 and March 18, 1998, respectively, Jo Ann Howard, Special Deputy Receiver of Defendant, and Preferred Ventures, Inc., owner of Defendant's charter and licenses, having purchased same from the Special Deputy Receiver of Defendant, waived the right to a hearing and withdrew any application or request for a hearing with respect to the proposed revocation of Defendant's license;

THEREFORE, IT IS ORDERED THAT:

(1) Pursuant to § 38.2-1040 of the Code of Virginia, the license of Defendant to transact the business of insurance in the Commonwealth of Virginia be, and it is hereby, REVOKED;

(2) Defendant shall issue no new contracts or policies of insurance in the Commonwealth of Virginia;

(3) The appointments of Defendant's agents to act on behalf of Defendant in the Commonwealth of Virginia be, and they are hereby, REVOKED;

(4) The Bureau of Insurance shall cause an attested copy of this order to be sent to each of Defendant's agents appointed to act on behalf of Defendant in the Commonwealth of Virginia as notice of the revocation of such agent's appointment; and

(5) The Bureau of Insurance shall cause notice of the revocation of Defendant's license to be published in the manner set forth in § 38.2-1043 of the Code of Virginia.

CASE NO. INS930076
OCTOBER 1, 1998

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
CENTURION HEALTH AND WELFARE PLAN,
Defendant

FINAL ORDER

WHEREAS, 14 VAC 5-410-40, set forth in the Commission's Rules Governing Multiple Employer Welfare Arrangements, requires not fully insured multiple employer welfare arrangements that operate in Virginia to become licensed as an insurance company, health maintenance organization, health services plan, or dental or optometric services plan, and it requires fully insured multiple employer welfare arrangements that operate in the Commonwealth of Virginia to make certain informational filings with the Commission;

WHEREAS, based on an investigation conducted by the Bureau of Insurance, it appeared that Defendant operated in the Commonwealth of Virginia without first complying with 14 VAC 5-410-40;

WHEREAS, by order entered by the Commission on April 20, 1993, Defendant was ordered to TAKE NOTICE that the Commission would enter an order permanently enjoining Defendant from operating a multiple employer health care plan in the Commonwealth of Virginia unless on or before April 30, 1993, Defendant filed with the Clerk of the Commission a responsive pleading to object to the entry of the aforesaid order and a request for a hearing;

WHEREAS, Defendant filed a timely response to the Commission's Order to TAKE NOTICE, denying that it was a multiple employer welfare arrangement and further denying that it was subject to the jurisdiction of the Commission;

WHEREAS, by Consent Order entered by the Commission on July 1, 1993, Defendant voluntarily agreed not to enroll, with certain exceptions, any new participants who are residents of the Commonwealth of Virginia until further order of the Commission, in order that a definitive Advisory Opinion from the United States Department of Labor or a determination by a court of competent jurisdiction could be obtained on the question of whether Defendant was maintained under or pursuant to one or more collective bargaining agreements;

WHEREAS, Defendant exhausted all of its remedies and failed to obtain an opinion from the United States Department of Labor or a determination from a court of competent jurisdiction that Defendant's health plan was established or maintained pursuant to a collective bargaining agreement;

WHEREAS, on July 9, 1996, the Virginia Supreme Court denied Defendant's motion to have the Commission remove the prohibition against new enrollment;

WHEREAS, by letter dated May 2, 1997, the Bureau of Insurance notified Defendant of the action required by Defendant to conclude this case: non-renew the last remaining non-Ocean Breeze Festival Park employee group insured by the plan, pay all claims for the non-Ocean Breeze Festival Park employee groups covered by the plan in the Commonwealth of Virginia, and wind down its multiple employer welfare arrangement operations in the Commonwealth; and

WHEREAS, Defendant has completed this process, as evidenced by the notarized Affidavit of Michael F. Gelardi, Trustee for Centurion Health and Welfare Benefit Plan, dated June 3, 1998; and filed with the Commission on July 31, 1998;

IT IS THEREFORE ORDERED THAT:

(1) This case be, and it is hereby, dismissed; and

(2) The papers herein be placed in the file for ended causes.

CASE NO. INS930353
SEPTEMBER 30, 1998

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
AMERICAN INTEGRITY INSURANCE COMPANY,
Defendant

ORDER TO TAKE NOTICE

WHEREAS, § 38.2-1040 of the Code of Virginia provides, inter alia, that the Commission may suspend or revoke the license of any insurance company to transact the business of insurance in the Commonwealth of Virginia whenever the Commission finds that the company is insolvent, or is in a condition that any further transaction of business in this Commonwealth is hazardous to its policyholders, creditors, and public in this Commonwealth;

WHEREAS, for reasons stated in an order entered herein August 31, 1993, the Commission suspended the license of American Integrity Insurance Company, a foreign corporation domiciled in the Commonwealth of Pennsylvania, and licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia ("Defendant");

WHEREAS, by order entered in the Commonwealth Court of Pennsylvania on June 25, 1993, in Case No. 194M.D.1993, Defendant was declared insolvent, and the Commissioner of Insurance for the Commonwealth of Pennsylvania was appointed the Liquidator of Defendant and directed to liquidate the business and affairs of Defendant;

WHEREAS, on September 1, 1994, Defendant's corporate certificate of authority for the Commonwealth of Virginia was revoked; and

WHEREAS, the Bureau of Insurance has recommended that Defendant's license to transact the business of insurance in the Commonwealth of Virginia be revoked;

THEREFORE, IT IS ORDERED that Defendant TAKE NOTICE that the Commission shall enter an order subsequent to October 9, 1998, revoking the license of Defendant to transact the business of insurance in the Commonwealth of Virginia unless on or before October 9, 1998, Defendant files with the Clerk of the Commission, Document Control Center, P.O. Box 2118, Richmond, Virginia 23216, a request for a hearing before the Commission with respect to the proposed suspension of Defendant's license.

CASE NO. INS930353
OCTOBER 14, 1998

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
AMERICAN INTEGRITY INSURANCE COMPANY,
Defendant

ORDER REVOKING LICENSE

WHEREAS, for the reasons stated in an order entered herein September 30, 1998, Defendant was ordered to take notice that the Commission would enter an order subsequent to October 9, 1998, revoking the license of the Defendant to transact the business of insurance in the Commonwealth of Virginia unless on or before October 9, 1998, Defendant filed with the Clerk of the Commission a request for a hearing before the Commission to contest the proposed revocation of Defendant's license; and

WHEREAS, Defendant failed to file a request to be heard before the Commission with respect to the proposed revocation of Defendant's license;

THEREFORE, IT IS ORDERED THAT:

(1) Pursuant to § 38.2-1040 of the Code of Virginia, the license of Defendant to transact the business of insurance in the Commonwealth of Virginia be, and it is hereby, REVOKED;

(2) Defendant shall issue no new contracts or policies of insurance in the Commonwealth of Virginia;

(3) The appointments of Defendant's agents to act on behalf of Defendant in the Commonwealth of Virginia be, and they are hereby, REVOKED;

(4) The Bureau of Insurance shall cause an attested copy of this order to be sent to each of Defendant's agents appointed to act on behalf of Defendant in the Commonwealth of Virginia as notice of the revocation of such agent's appointment; and

(5) The Bureau of Insurance shall cause notice of the revocation of Defendant's license to be published in the manner set forth in § 38.2-1043 of the Code of Virginia.

CASE NO. INS940018
MAY 5, 1998

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
EMPLOYERS RESOURCE MANAGEMENT CO.
and
AMERICAN EMPLOYERS BENEFIT TRUST,
Defendants

FINAL ORDER

WHEREAS, 14 VAC 5-410-40, set forth in the Commission's Rules Governing Multiple Employer Welfare Arrangements, requires not fully insured multiple employer welfare arrangements that operate in Virginia to become licensed as an insurance company, health maintenance organization, health services plan, or dental or optometric services plan, and it requires fully insured multiple employer welfare arrangements that operate in Virginia to make certain informational filings with the Commission;

WHEREAS, based on an investigation conducted by the Bureau of Insurance, it appeared that Defendants, a Virginia domiciled corporation and trust with a situs in the Commonwealth of Virginia, operated in the Commonwealth of Virginia without first complying with 14 VAC 5-410-40;

WHEREAS, by order entered by the Commission on February 18, 1994, Defendants were ordered to TAKE NOTICE that the Commission would enter a cease and desist order, ordering Defendants to cease and desist from operating in the Commonwealth of Virginia unless on or before March 7, 1994, Defendants filed with the Clerk of the Commission a responsive pleading to object to the entry of the aforesaid order and a request for a hearing;

WHEREAS, in response to the Commission's Order to TAKE NOTICE, Defendants, on or about March 3, 1994, instituted two actions in the United States District Court for the Eastern District of Virginia. Pursuant to § 28 U.S.C. 1441(b), Defendants removed to federal court the proceedings then pending against Defendants before the Commission (Civil Action No. 3:94 c.v. 157), and in a separate action, Defendants sought injunctive and declaratory relief to bar further state proceedings before the Commission (Civil Action No. 3:94 c.v. 148);

WHEREAS, by Memorandum Opinion and Order entered November 22, 1994, the District Court dismissed Defendants' complaint for injunctive and declaratory relief, and remanded this action instituted by the Commonwealth to the Commission (869 F. Supp. 398 (E.D. Va. 1994));

WHEREAS, 28 U.S.C. § 1447(d) precluded an appeal of the District Courts' decision to remand this proceeding to the Commission, and the Fourth Circuit Court of Appeals, on September 19, 1995, affirmed the District Court's decision to dismiss Defendants' suit for injunctive and declaratory relief (65 F.3d 1126 (4th Cir. 1995));

WHEREAS, Defendants exhausted their appeals in federal court, the United States Supreme Court having denied Defendants' petition for a writ of certiorari on January 22, 1996 (116 S. Ct. 816);

WHEREAS, by letter dated April 14, 1997, the Bureau of Insurance notified Defendants of three options to conclude this case: wind down its insurance business in the Commonwealth; obtain licensure as a health services plan, health maintenance organization, dental or optometric services plan or insurance company; or become fully insured by an insurer licensed and in good standing to transact the business of insurance in the Commonwealth; and

WHEREAS, Defendants became fully insured through such an insurer but ultimately decided to wind down its insurance business in the Commonwealth and has completed this process, as evidenced by the notarized Affidavit of George H. Gersema, Chief Executive Officer of Employers Resource Management Company, dated April 10, 1998; and filed with the Commission on April 24, 1998;

IT IS THEREFORE ORDERED THAT:

(1) This case be, and it is hereby, dismissed; and

(2) The papers herein be placed in the file for ended causes.

CASE NO. INS940218
APRIL 27, 1998

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
HOW INSURANCE COMPANY, HOME WARRANTY CORP.
and
HOME OWNERS WARRANTY CORP.,
Defendants

ORDER ON APPLICATION FOR APPROVAL OF SETTLEMENT AGREEMENT

On This Day appeared Alfred W. Gross in his capacity as Deputy Receiver for HOW Insurance Company, a Risk Retention Group, Home Warranty Corporation and Home Owners Warranty Corporation (collectively the "HOW Companies") and moved this Commission for an Order approving the Settlement Agreement between Plaintiffs and Defendants Boykin & Casano, PC, Colton & Boykin, PC and Hamilton H. Boykin, individually and as partner of the law firms of Boykin & Casano, PC and Colton & Boykin, PC (the "Boykin Defendants") in litigation styled Steven T. Foster Commissioner of Insurance, Bureau of Insurance, State Corporation Commission of the Commonwealth of Virginia, et al. v. National Association of Home Builders of the United States, et al., Cause No. 96-00472, in the 101st Judicial District Court, Dallas County, Texas (the "Texas Action").

NOW, THEREFORE, IT IS ORDERED, for good cause shown, that the Release and Settlement Agreement entered into between the Plaintiffs and the Boykin Defendants in the Texas Action be, and it is hereby, APPROVED in its entirety.

IT IS FURTHER ORDERED that the Release and Settlement Agreement shall be governed and construed in accordance with the laws of the State of Texas and any action to enforce its terms or for breach of the Agreement shall be commenced in the District Courts of Dallas County, Texas, which shall have exclusive jurisdiction and venue solely for this purpose.

CASE NO. INS940218
NOVEMBER 5, 1998

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
HOW INSURANCE COMPANY, HOME WARRANTY CORP.
and
HOME OWNERS WARRANTY CORP.,
Defendant

ORDER ON APPLICATION FOR APPROVAL OF SETTLEMENT AGREEMENT

ON A FORMER DAY came Alfred W. Gross in his capacity as Deputy Receiver for HOW Insurance Company, a Risk Retention Group, Home Warranty Corporation and Home Owners Warranty Corporation (collectively the "HOW Companies") and moved this Commission for the entry of an Order approving the Settlement Agreement between the Deputy Receiver, individual HOW certificate holders Michael and Joanne Daughety, and Felton and Joellen Davenport (the "Plaintiffs") and Defendants John J. Koelemij, the National Association of Home Builders of the United States, Home Owners Warranty Corporation (Council) of Houston, Texas, Inc., Home Owners Warranty Council of Metropolitan Dallas, Inc., Home Owners Warranty Council of the Golden Crescent Area, Home Owners Warranty Council of Greater El Paso, Inc., Texas Capitol Area Builders Association, Home Owners Warranty Council of the Builders Association, Inc., and Home Owners Warranty Council of Greater South Texas, Inc. (together the "NAHB Parties") in litigation styled Alfred W. Gross, Commissioner of Insurance, Bureau of Insurance, State Corporation Commission of the Commonwealth of Virginia, et al. v. National Association of Home Builders of the United States, et al., Cause No. 96-00472, in the 101st Judicial District Court, Dallas County, Texas (the "Texas Action").

NOW, THEREFORE, IT IS ORDERED, for good cause shown, that the Release and Settlement Agreement entered into between the Plaintiffs and the NAHB Parties in the Texas Action, be, and it is hereby, APPROVED in its entirety.

IT IS FURTHER ORDERED that the Release and Settlement Agreement shall be governed and construed in accordance with the laws of the State of Texas and any action to enforce its terms or for breach of the Agreement shall be commenced in the District Courts of Dallas County, Texas, which shall have exclusive jurisdiction and venue solely for this purpose.

CASE NO. INS950050
JUNE 9, 1998

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
FIRST AMERICAN TITLE INSURANCE COMPANY OF NORTH CAROLINA
(FORMERLY JEFFERSON-PILOT TITLE INSURANCE COMPANY),
Defendant

VACATING ORDER

GOOD CAUSE having been shown,

IT IS ORDERED THAT:

(1) The Order Suspending License entered herein April 11, 1995, is hereby vacated; and

(2) The papers herein be placed in the file for ended causes.

CASE NO. INS950093
APRIL 30, 1998

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
UNITED SOUTHERN ASSURANCE COMPANY,
Defendant

ORDER REVOKING LICENSE

WHEREAS, § 38.2-1040 of the Code of Virginia provides, inter alia, that the Commission may suspend or revoke the license of any insurance company to transact the business of insurance in the Commonwealth of Virginia whenever the Commission finds that the Company is insolvent, or is in a condition that any further transaction of business in this Commonwealth is hazardous to its policyholders, creditors and public in this Commonwealth;

WHEREAS, for reasons stated in an order entered herein September 28, 1995, the Commission suspended the license of United Southern Assurance Company, a foreign corporation domiciled in the state of Florida, and licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia ("Defendant");

WHEREAS, by order effective September 18, 1997, and entered in the Circuit Court of Second Judicial District in and for Leon County, Florida, on September 22, 1997 in Case No. 97-5297, the Department of Insurance for the State of Florida was appointed the Receiver of Defendant and directed to liquidate Defendant;

WHEREAS, such Florida order also provided that all of Defendant's policies were to be canceled as of October 18, 1997; and

WHEREAS, the Bureau of Insurance has recommended that Defendant's license to transact the business of insurance in the Commonwealth of Virginia be revoked;

THEREFORE, IT IS ORDERED THAT:

(1) Pursuant to § 38.2-1040 of the Code of Virginia, the license of Defendant to transact the business of insurance in the Commonwealth of Virginia be, and it is hereby, REVOKED;

(2) Defendant shall issue no new contracts or policies of insurance in the Commonwealth of Virginia;

(3) The appointments of Defendant's agents to act on behalf of Defendant in the Commonwealth of Virginia be, and they are hereby, REVOKED;

(4) The Bureau of Insurance shall cause an attested copy of this order to be sent to each of Defendant's agents appointed to act on behalf of Defendant in the Commonwealth of Virginia as notice of the revocation of such agent's appointment; and

(5) The Bureau of Insurance shall cause notice of the revocation of Defendant's license to be published in the manner set forth in § 38.2-1043 of the Code of Virginia.

CASE NO. INS960033
FEBRUARY 24, 1998

PETITION OF
JANE H. HALL

For review of HOW Insurance Company, Home Warranty Corporation and Home Owners Warranty Corporation Deputy Receiver's Determination of Appeal

ORDER

On October 14, 1994, the Circuit Court of the City of Richmond entered an order appointing the State Corporation Commission ("Commission") the Receiver of HOW Insurance Company, Home Warranty Corporation and Home Owners Warranty Corporation ("HOW Companies"). The receivership order granted the Commission authority to proceed with the rehabilitation or liquidation of the HOW Companies and established a "Receivership Appeal Procedure" to govern any appeals or challenges to any decisions rendered by the Receiver or the Receiver's duly authorized representatives.

On January 25, 1996, Jane H. Hall ("Petitioner") filed a Petition for Review ("Petition") with the Commission contesting the Deputy Receiver's Determination of Appeal in Claim No. Z7686, denying Petitioner coverage under the Builder's Limited Warranty for alleged defects in her home heating and air conditioning systems.

By Order dated February 19, 1997, ("February Order")[1] the Commission, inter alia, reversed the Deputy Receiver's Determination of Appeal issued in Claim No. Z7686, and ordered that: (i) Pulte Homes Corporation ("Builder" or "Pulte") should promptly proceed to correct any deficiencies found to exist in the subject residence with regard to its heating and cooling systems determined by reference to the applicable performance standards of the Warranty consistent with the views expressed in this Order; (ii) The Deputy Receiver should actively monitor any further activities of said Builder with respect to its efforts to correct the defects and make periodic reports of progress made in the resolution of this dispute to the Commission. The reports were to be made on a monthly basis, the first such report to be made no later than forty-five (45) from the date of entry of this Order; (iii) Should it become reasonably apparent that the said Builder is unwilling or unable to correct such defects or warranty violations, the Deputy Receiver should promptly process a Warranty Claim in keeping with the views expressed in this Order; (iv) The Commission retains jurisdiction hereof for such additional proceedings and orders as may be appropriate; and (v) The case be continued generally until further order of this Commission.[2]

Pursuant to the February Order, the Deputy Receiver issued its first mandated monthly Report of Progress ("Progress Report or Report").[3] As part of that Report, the Deputy Receiver contacted Richard W. Wilson, Jr., Esquire, counsel to Pulte, with respect to Pulte's efforts to correct the defects found to exist in Petitioner's home.[4] Pulte through its counsel indicated an unwillingness to correct any deficiencies in Petitioner's heating and cooling systems.[5] As such, the Deputy Receiver processed the Petitioner's heating and cooling systems problems as a warranty claim, in keeping with the instructions set forth in the February Order.[6]

On December 5, 1997, the Deputy Receiver filed the latest of these Progress Reports.[7] Within that Report, the Deputy Receiver contended: (i) Pulte was unwilling to heed the directives of the February Order, which in turn caused the Deputy Receiver to send an adjuster to the Petitioner's home to ascertain what repair work was necessary. The Petitioner refused to allow access to anyone but the contractor, Moncrief Heating and Air Conditioning, Inc. ("Moncrief" or "contractor") which she previously used to obtain the repair estimate that she relied upon as the basis for her HOW claim. That estimate was $4,700.00, which was obtained in 1995; (ii) Because the estimate was over a year old, the Deputy Receiver contacted Moncrief to obtain an updated estimate. The new estimate was $4,935.00; (iii) The Deputy Receiver then authorized payment based upon the $4,935.00 figure. This offer was rejected by Petitioner because she was not satisfied with the proposed plan of repair; (iv) The Deputy Receiver requested an updated plan of repair from Moncrief, but, again the Petitioner rejected the proposal and insisted on another plan which would not require a return air duct in the kitchen pantry; (v) a new proposal was prepared by Moncrief that required ripping out sheetrock, installing duct work in false walls rather than the pantry, as well as the installation of baseboard heaters in the kitchen and family room, as well as diffusers in the family room to insure proper air flow. The new estimate was $14,960.00; (vi) The contractor was instructed to provide color photographs and drawings of the new plan to the Deputy Receiver. These photographs and drawings were not provided. The contractor contends it was denied access to the home by the Petitioner. (vii) The Deputy Receiver then requested guidance from the Commission as to how the Deputy Receiver should proceed.[8]

By Commission Orders dated December 11 and December 19, 1997, the Parties were ordered to make any response to the Deputy Receiver's Report of December 5, 1997, by January 12, 1998.[9] Pulte, by counsel, responded and claimed, inter alia, that it had thoroughly investigated the claims of Jane H. Hall and determined that it did not have responsibility; that the system it installed met specifications and that any problem being experienced was a

[1] Petition of Jane H. Hall, Order, Case No. INS960033, Doc. Control Ctr. No. 970250234 (February 19, 1997)

[2] Id. at 6.

[3] Petition of Jane H. Hall, Report of Progress, Case No. INS960033, Doc. Control Ctr. No. 970420146 (April 7, 1997).

[4] Id. at Exhibit A.

[5] Id. at Exhibit B.

[6] Id. at 2.

[7] Petition of Jane H. Hall, Report of Progress, Case No. INS960033, Doc. Control Ctr. No. 971210308 (December 5, 1997).

[8] Id. at 1-4.

[9] Petition of Jane H. Hall, Orders, Case No. INS960033, Doc. Control Ctr. Nos. 971220088 and 971220393 (December 11 and December 19, 1997).

result of actions taken by the Petitioner. Additionally, Pulte found the Petitioner very difficult to work with, claimed that the Petitioner seeks to obtain relief to which she is not entitled, and suggested that the Commission conclude the matter by dismissing the petition.[10] Petitioner claimed, inter alia, that allegations made by the Deputy Receiver in its Progress Report of December 5, 1997, and Pulte's Response to the Commission's Order of December 11, 1997, were without merit and requested that the Commission resolve this matter.

Upon consideration of the foregoing, it is the opinion of the Commission that the Petitioner has not adequately demonstrated the need for the additional work described above and, as such, her claim should be based on the evidence elicited during the evidentiary portion of this proceeding, as well as Moncrief's proposed bid of April 30, 1997. Accordingly,

IT IS ORDERED that:

(1) The Petitioner's warranty claim to correct deficiencies found to exist in the heating and cooling systems is awarded based upon Moncrief's proposed bid of April 30, 1997, in the amount of four thousand nine hundred and thirty five dollars ($4,935.00), which sums shall be considered as direct claims to be paid in accordance with the receivership payment procedure; and

(2) The case is dismissed and the papers herein be passed to the file for ended causes.

[10] Petition of Jane H. Hall, Pulte's Response to Order of December 11, 1997, Case No. INS960033, Doc. Control Ctr. No. 980110004 (January 5, 1998).

CASE NO. INS960208
AUGUST 21, 1998

PETITION OF
GLENN N. GORAB, D.M.D.
and
JOSEPH J. COBUZIO, INC.

For a review of HOW Insurance Company, Home Warranty Corporation and Home Owners Warranty Corporation Deputy Receiver's Determination of Appeal

ORDER

On October 14, 1994, the Circuit Court of the City of Richmond, Virginia, entered an order appointing the State Corporation Commission ("Commission") the Receiver of the HOW Insurance Company, Home Warranty Corporation and Home Owners Warranty Corporation ("HOW Companies" or "HOW"). The receivership order granted the Commission authority to proceed with the rehabilitation or liquidation of the HOW Companies and established a "Receivership Appeal Procedure" ("RAP") to govern any appeals or challenges to any decisions rendered by the Receiver or the Receiver's duly authorized representatives.

Respectively, on July 25, 1996, Glenn Gorab, D.M.D. ("Homeowner") and on July 26, 1996, Joseph J. Cobuzio, Inc. ("Builder"), by counsel, filed Petitions for Review ("Petition(s)") with the Commission contesting the Deputy Receiver's Determination of Appeal in Claim Nos. D0683 and Z5920. The Determination of Appeal issued on June 25, 1996, found the Builder responsible for making numerous, but not all, repairs for alleged defects to a home constructed by the Builder for the Homeowner at 817 Peachtree Lane, Franklin Lakes, New Jersey.[1] Subsequently, the Homeowner and the Builder appealed the Deputy Receiver's findings adverse to them to this Commission.

By Order dated August 1, 1996, the Commission docketed the Petitions and assigned the consolidated cases to a Hearing Examiner. Pursuant to Hearing Examiner's Rulings of October 7, 1996, December 4, 1996, and March 27, 1997, a procedural schedule was established and a hearing was calendared for April 21, 1997.

On the appointed day of the hearing, Howard W. Dobbins, Esquire, and Lonnie W. Fugit, Esquire, appeared as counsel to the Deputy Receiver. JoAnne Nolte, Esquire, represented the Homeowner. Joseph K. Cobuzio, Esquire, appeared on behalf of the Builder. The hearing in this matter was reconvened and concluded on May 30, 1997.

After receiving the testimony and evidence presented in the case, and reviewing the filings and the applicable law, the Hearing Examiner made the following findings and recommendations:

(1) GAPS IN THE EAVES – The Builder should use appropriate materials to fill in any gaps in the eaves that are 3/8 inch or larger.

(2) HARDWOOD FLOOR FINISHING – The Builder is responsible for repairing the defective hardwood floors. The Builder should properly re-sand, clean, stain if needed, and then seal with a moisture cured finish, the floors described as defective.[2]

(3) PLACEMENT OF LIGHT SWITCH BETWEEN GARAGE AND BASEMENT – The Builder should move the light switch on the rear steps leading from the garage to the basement to an easily accessible location. The Builder should repair any resulting damage to the walls at the present location of the light switch.

[1] Determination of Appeal on Claim Nos. D0683 and Z5920, Exhibits A-C. (June 25, 1996)

[2] Report of Howard P. Anderson, Jr., Hearing Examiner at 4-5. (March 17, 1998) ("Hearing Examiner's Report")

(4) CRACKED CERAMIC TILES – The Builder should replace or repair cracked ceramic tiles located in the front foyer and master bathroom.

(5) BASEMENT WINDOW SCREENS AND GRIDS – The Builder is responsible for providing grids for the basement windows that are compatible with other window grids on the house. Further, the Builder should supply and attach screens to the basement windows.

(6) EXTERIOR WOOD TRIM – Knotholes on the exterior trim of the house were not properly sealed before painting. The Builder should properly seal the knotholes and repaint the exterior trim.

(7) PAINT ON INTERIOR WALLS AND TRIM – The Builder should be responsible for the cost of the repainting repairs made by Mr. Strippoli.[3]

(8) PAINT ON RAILING BALUSTERS – The Builder agreed to repair this defect.

(9) PAINT SPILLS ON BASEBOARD HEAT RADIATORS – The Builder has agreed to clean the paint spills on the baseboards, radiators and stairs.

(10) STAIN SPILLS – The Builder should not be held responsible for removing these spills.

(11) RIGHT SIDE DOOR TO FAMILY ROOM OPENS FROM WRONG SIDE – The right side door to the family room needs to be replaced with a door opening from the proper side. The Builder is responsible for correcting this defect.

(12) INTERIOR DOOR TO ATTIC WARPED – The Builder is responsible for replacing this door with a non-warped door and to properly paint the ends of the door.

(13) HALLWAY SLIDING DOORS TO CLOSET RUB AND DO NOT FULLY OPEN – The Builder has agreed to adjust the hallway doors.

(14) KITCHEN/DINING ROOM POCKET DOOR IS UNEVEN – The Builder has agreed to adjust any uneven pocket doors.

(15) INTERIOR DOOR PANEL CRACKED/SPLIT – The Builder is responsible for replacing this door.[4]

(16) DOOR BETWEEN KITCHEN AND GARAGE DOES NOT WEATHERSEAL – The Builder is responsible for correctly installing weather stripping on this defective door.

(17) DOORS TO ATTIC AND BASEMENT DO NOT WEATHERSEAL – The Builder is not responsible for correcting this defect because these doors do not lead directly to the outside from a habitable area.

(18) BEDROOM DOUBLE CLOSET DOORS HAVE NO HARDWARE – The Builder is responsible for installing closet door handles if the Homeowner pays for the hardware.

(19) BASEMENT AND SITTING ROOM SLIDING DOORS DO NOT LATCH – The Builder is responsible for adjusting and repairing these doors so that they properly latch.

(20) DOORS WITH MALFUNCTIONING LOCKS – The Builder has agreed to correct the malfunctioning lock on the dining room door. The Builder is responsible for correcting all malfunctioning and/or improperly installed door handles and door locks.

(21) DINING ROOM CASEMENT WINDOW LOCK DOES NOT WORK – The Builder should repair this lock so that it functions properly.

(22) ONE SLIDING DOOR FLOOR BRACKET IS CHROME COLORED AND OTHER BRACKETS ARE BRASS COLORED – The Builder should replace the chrome colored bracket with a brass colored bracket.

(23) VOIDS IN MASTER BATHROOM TILE GROUT – The Builder has agreed to replace the grout in the master bathroom.

(24) EXPOSED PLYWOOD BY LIGHT IN MASTER BATHROOM CABINETS – The Builder is responsible for covering the exposed plywood with laminate as are the rest of the wall cabinets.

(25) MASTER BATHROOM RIGHT SINK HOT WATER VALVE VIBRATES WHEN TURNED ON/OFF – The Builder should either repair or replace this valve to ensure proper operation.

(26) ATTIC RETURN LINES CONNECTED TO WRONG AIR CONDITIONING UNIT – The attic return lines are not properly connected, and the Builder should immediately correct this condition.

(27) FIRST FLOOR SIDE BEDROOM HAS ONLY ONE COOLING AIR REGISTER – NO REGISTER IN THE BATHROOM TO THIS BEDROOM – The Builder is responsible for installing additional cooling ducts in this bedroom and at least one vent in the bathroom.

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[3] Id. at 7.

[4] Id. at 9.

(28) MUDROOM BATHROOM HAS NO AIR CONDITIONING DUCT – The Builder should install an air conditioning duct in the mudroom bathroom.

(29) ATTIC EXHAUST FANS DO NOT MEET SPECIFICATIONS – The Builder should replace the attic exhaust fans with fans specified in the house plans.

(30) INADEQUATE HEAT IN KITCHEN AND MUDROOM AREA – There is inadequate heating in the mudroom and kitchen areas and it is the Builder's responsibility to install additional heat in these areas to ensure temperatures that meet industry standards.

(31) EXPOSED PIPES – The Builder should recess and insulate these pipes in a manner to allow for clear walls in a room off the kitchen.[5]

(32) FOYER/GREAT ROOM JOINT UNEVEN – The Builder should repair this floor joint to a level which eliminates any tripping hazard.[6]

(33) GAPS AT JOINTS OF HARDWOOD FLOORS BETWEEN LIVING ROOM/FOYER AND DINING ROOM/FOYER – The Builder should properly fill in these gaps.

(34) FOYER/HALLWAY JOINT UNEVEN – The Builder should repair this joint so that it is level and does not constitute a tripping hazard.

(35) SADDLE AT DOORWAY FROM MUDROOM TO KITCHEN NOT ACCORDING TO CONTRACT – There is insufficient evidence to support a finding that this saddle should be replaced.

(36) WATER COLLECTS IN GARAGE – The driveway and garage slab do not properly drain, thereby causing water to pond on the garage floor. The Builder should correct this defect.[7]

(37) VARIOUS NAIL POPS – The nail pops should be fixed by the Builder when the house is repainted as discussed previously in this Report.[8]

(38) NAIL HOLES IN TRIM – The nail holes should be corrected by the Builder when the trim is repainted as discussed previously.

(39) BENT BRACKET TO IRONING BOARD IN LAUNDRY ROOM – There is insufficient evidence to determine when and how the ironing board frame was bent. Therefore, this is not the Builder's responsibility to repair or replace.

(40) UNPAINTED TOPS OF INTERIOR DOORS – The Builder should have the tops of all interior doors painted.

(41) ATTORNEY FEES (HOMEOWNER) – The Homeowner's request for attorney fees represents an indirect claim for consequential damages and is not supported under New Jersey law. Consequential damages in New Jersey pertain only to damages to the home that are a direct consequence or result of a defect covered by the Builder's Limited Warranty or a Major Structural Defect, and which are different from the defect itself.[9] Personal expenses such as attorney fees cannot be considered a direct claim under the HOW Policy. Accordingly, the Homeowner would have, at best, an indirect claim for attorney fees.

(42) ATTORNEY FEES (BUILDER) – The Builder's request for attorney fees should be denied.[10]

Upon consideration of the pleadings, prefiled testimony, transcript of the hearing, the report of the Hearing Examiner and the comments filed in response thereto, the Commission is of the opinion that the Hearing Examiner's findings and recommendations should be adopted with modifications. The Commission will not adopt the Hearing Examiner's findings and recommendations on Item Nos. 5, 27, 28, 30 and 31.

The Commission finds that the alleged defect in Item No. 5 (Basement Window Screens and Grids) is not covered by the HOW policy documents applicable to this case, and thus, this claim is outside the purview of this Commission.

Additionally, the Commission finds that the alleged defects with regard to Item No. 27 (First Floor Side Bedroom Has Only One Cooling Air Register – No Register In The Bathroom To This Bedroom), Item No. 28 (Mudroom Bathroom Has No Air Conditioning Duct), and Item No. 30 (Inadequate Heat In Kitchen And Mudroom Area) fall in the supplemental coverage, mandated by the New Jersey Department of Consumer Affairs, to the HOW Warranty agreement.[11] As such, the warranty standards are enumerated in Sections 5:25 – 3.5(k)4(i) and (ii) of the New Jersey Administrative Code. Under these code sections, a heating and cooling system must fail to meet certain precise criteria in order to find the builder liable for warranty breach. The record is insufficient to show such a breach exists in this case.

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[5] Id. at 13-14.

[6] Id. at 14.

[7] Id. at 15.

[8] Id. at 15.

[9] Id. at 16.

[10] Id. at 16-17.

[11] Appendix A to the Hearing Examiner's Report of March 17, 1998.

Finally, the Commission disagrees with the Hearing Examiner's findings and recommendations in Item No. 31 (Exposed Pipes). This issue concerns whether or not the industry standard requires pipes for a laundry room washing machine connection to be recessed. Again, the record is insufficient to show that the exposed condition of these pipes, as originally installed, does not meet industry standards. Accordingly,

IT IS ORDERED THAT:

(1) The consolidated Petitions of Glenn N. Gorab, D.M.D., and Joseph J. Cobuzio, Inc., for review of the Deputy Receiver's Determination of Appeal be, and they are hereby GRANTED, in part, and DENIED, in part.

(2) The Determination of Appeal on Claim Nos. D0683 and Z5920, issued on June 25, 1996, be, and it is hereby, AFFIRMED, in part, and REVERSED, in part.

(3) With the exception of Item Nos. 5, 10, 17, 27, 28, 30, 31, 35, and 39, the Builder shall cure the defects to the Homeowner's home, enumerated as Item Nos. 1-4, 6-9, 11-16, 18-26, 29, 32-34, 36-38, and 40 in the Hearing Examiner's Report of March 17, 1998, in the manner specified therein.

(4) The Homeowner's request for attorney fees be, and it is hereby, DENIED.

(5) The Builder's request for attorney fees be, and it is hereby, DENIED.

(6) The case is dismissed and the papers herein are passed to the file for ended causes.

CASE NO. INS960208
SEPTEMBER 15, 1998

PETITION OF
GLEN N. GORAB, D.M.D.
and
JOSEPH J. COBUZION, INC.

For a review of HOW Insurance Company, Home Warranty Corporation and Home Owners Warranty Corporation Deputy Receiver's Determination of Appeal

ORDER DENYING MOTION TO RECONSIDER

On September 8, 1998, Glenn N. Gorab, D.M.D., ("Petitioner" or "Homeowner") filed with the State Corporation Commission ("Commission") a Motion to Reconsider ("Motion"). In the Motion, Petitioner requested reconsideration of determinations made by the Commission in its August 21, 1998 Order.

UPON CONSIDERATION WHEREOF, the Commission hereby DENIES the Petitioner's motion to reconsider its Order of August 21, 1998.

CASE NO. INS960235
APRIL 30, 1998

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
U.S. CAPITAL INSURANCE COMPANY,
Defendant

ORDER REVOKING LICENSE

WHEREAS, § 38.2-1040 of the Code of Virginia provides, inter alia, that the Commission may suspend or revoke the license of any insurance company to transact the business of insurance in the Commonwealth of Virginia whenever the Commission finds that the Company is insolvent, or is in a condition that any further transaction of business in this Commonwealth is hazardous to its policyholders, creditors and public in this Commonwealth;

WHEREAS, for reasons stated in an order entered herein December 13, 1996, the Commission suspended the license of U.S. Capital Insurance Company, a foreign corporation domiciled in the state of New York, and licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia ("Defendant");

WHEREAS, by order entered in the Supreme Court of the State of New York on November 20, 1997 in Index No. 403176/97, the Superintendent of Insurance for the State of New York was appointed the Liquidator of Defendant and directed to liquidate Defendant; and

WHEREAS, the Bureau of Insurance has recommended that Defendant's license to transact the business of insurance in the Commonwealth of Virginia be revoked;

THEREFORE, IT IS ORDERED THAT:

(1) Pursuant to § 38.2-1040 of the Code of Virginia, the license of Defendant to transact the business of insurance in the Commonwealth of Virginia be, and it is hereby, REVOKED;

(2) Defendant shall issue no new contracts or policies of insurance in the Commonwealth of Virginia;

(3) The appointments of Defendant's agents to act on behalf of Defendant in the Commonwealth of Virginia be, and they are hereby, REVOKED;

(4) The Bureau of Insurance shall cause an attested copy of this order to be sent to each of Defendant's agents appointed to act on behalf of Defendant in the Commonwealth of Virginia as notice of the revocation of such agent's appointment; and

(5) The Bureau of Insurance shall cause notice of the revocation of Defendant's license to be published in the manner set forth in § 38.2-1043 of the Code of Virginia.

CASE NO. INS960358
MARCH 27, 1998

PETITION OF
JEFFREY J. QUINN
and
SHERRY L. MARTINCO

For review of HOW Insurance Company, Home Warranty Corporation and Home Owners Warranty Corporation Deputy Receiver's Determination of Appeal

ORDER

On October 14, 1994, the Circuit Court of the City of Richmond, Virginia entered an order appointing the State Corporation Commission ("Commission") the Receiver of the HOW Insurance Company, Home Warranty Corporation and Home Owners Warranty Corporation ("HOW Companies" or "HOW"). The receivership order granted the Commission authority to proceed with the rehabilitation or liquidation of the HOW Companies and established a "Receivership Appeal Procedure" to govern any appeals or challenges to any decisions rendered by the Receiver or the Receiver's duly authorized representatives.

On November 26, 1996, Jeffrey J. Quinn and Sherry L. Martinco ("Petitioners") filed a Petition for Review ("Petition") with the Commission contesting the Deputy Receiver's Determination of Appeal in Claim No. 3588853-B, denying Petitioners' claim for monetary reimbursement for prior work performed on their home.

By Order dated January 13, 1997, the Commission assigned this case to a Hearing Examiner to conduct further proceedings for the purpose of taking evidence and making recommendations to the Commission for the determination of this Petition for Review. Pursuant to that Order and Hearing Examiner's Ruling of April 21, 1997, the Hearing Examiner established a procedural schedule and calendared a telephonic hearing for July 15, 1997, to receive evidence on the Petition.

On the hearing date, Jeffrey J. Quinn appeared pro se for the Petitioners. Howard W. Dobbins, Esquire, and Lonnie W. Fugit, Esquire, appeared as counsel for the Deputy Receiver. Petitioners contend, inter alia, that they are due an additional $7,646.55, above the $23,005.00 awarded them by the Notice of Claim Determination ("NCD") of December 15, 1995, for the repair work the Petitioners had previously authorized.

The Deputy Receiver contends, inter alia, that the Petitioners executed a Release and Settlement Agreement affirming the parameters of the Notice of Claim Determination that specifically rejected Petitioners' reimbursement claim.

After reviewing the evidence presented in the case, the Hearing Examiner made the following findings and recommendations:

(i) Petitioners' claim for $7,646.55 should be denied;

(ii) Petitioners submitted the reimbursement claim prior to issuance of the NCD of December 15, 1995;

(iii) The reimbursement claim was specifically rejected in the NCD;

(iv) Petitioners signed the NCD and negotiated the accompanying draft which denied any reimbursement claim and relieved HOW from any further liability with respect to that claim;

(v) Petitioners have accepted payment and executed a release with respect to this claim; and

(vi) The Commission should enter an order dismissing Petitioners' Petition for Appeal and affirming the Deputy Receiver's Determination of Appeal in Claim No. 3588853-B.

Upon consideration of the pleadings, prefiled testimony, transcript of the hearing, and the Hearing Examiner's Report, the Commission is of the opinion and so finds that the Hearing Examiner's findings and recommendations should be adopted.

Accordingly, IT IS ORDERED THAT:

(1) The Petition of Jeffrey J. Quinn and Sherry L. Martinco for review of the Deputy Receiver's Determination of Appeal be, and it is hereby, DENIED;

(2) The Deputy Receiver's Determination of Appeal issued in Claim No. 3588853-B, on November 4, 1996, be, and it is hereby, AFFIRMED; and

(3) The case is dismissed and the papers herein be passed to the file for ended causes.

CASE NO. INS970002
APRIL 29, 1998

PETITION OF
FARHAD AND SHOHRE MOUSAVIPOUR

For review of HOW Insurance Company, Home Warranty Corporation and Home Owners Warranty Corporation Deputy Receiver's Determination of Appeal

ORDER

On October 14, 1994, the Circuit Court of the City of Richmond entered an order appointing the State Corporation Commission ("Commission") the Receiver of HOW Insurance Company, Home Warranty Corporation and Home Owners Warranty Corporation ("HOW Companies"). The receivership order granted the Commission authority to proceed with the rehabilitation or liquidation of the HOW Companies and established a "Receivership Appeal Procedure" to govern any appeals or challenges to any decisions rendered by the Receiver or the Receiver's duly authorized representatives.

On December 23, 1996, Farhad and Shohre Mousavipour ("Petitioners") filed a Petition for Review ("Petition") with the Commission contesting the Deputy Receiver's Determination of Appeal in Claim No. 9104401-A, denying the Petitioners' claim for coverage under their homeowners warranty insurance policy. By order dated January 13, 1997, the Commission docketed the Petition and assigned the matter to a hearing examiner. By rulings dated April 16, May 8, and July 29, 1997, the Hearing Examiner established a procedural schedule and calendared a telephonic hearing for this case.

On February 27, 1997, counsel for the Deputy Receiver filed a Motion to Dismiss the Petition as untimely. The Hearing Examiner denied the Motion to Dismiss on April 16, 1997.

On the hearing date, Mr. Mousavipour appeared pro se and William Mauck, Jr. and Lon Fugit appeared as counsel for the Deputy Receiver. Petitioners contend, inter alia, that four defects should be covered under the policy:

1. Buckling of a load-bearing wall which supports the master bedroom on the second floor,
2. Excessive deflection/sagging of the structural member supporting the second floor balcony above the garage door,
3. Numerous structural cracks and connection inadequacies, in addition to other problems associated with the stairs leading to the upper deck, and
4. Excessive deflection and vibration of the dining room floor system.

The Deputy Receiver contends, inter alia, that since HOW was not notified of the defects until more than three years after the home was enrolled in the program, well after the warranty period expired, the only coverage available under the program is for Major Structural Defects ("MSDs"). The Deputy Receiver contends that none of the defects identified by Mr. Mousavipour constitute MSDs.

After reviewing the evidence submitted in the case, the Hearing Examiner made the following findings and recommendations:

(i) The uncontested bulging and tilt in the landing are evidence of failure of the load-bearing wall to adequately support the weight of the stairs. Thus, the deflection/sagging in the wall supporting the second floor is a MSD and covered under the terms of the HOW policy;

(ii) The evidence is insufficient to support a finding that there is damage to the load-bearing beam over the garage door resulting from the remodeling. Thus, the sagging beam is not a covered MSD under the terms of the policy and the Deputy Receiver's Determination as to this item should be affirmed;

(iii) The policy does not include external stairs or decking as covered portions of the home. Therefore, the Deputy Receiver's Determination as it relates to the outside stairs should be affirmed;

(iv) The removal of joists and the failure to adequately replace or otherwise support the dining room flooring system in the course of remodeling the home places this defect squarely within the coverage terms of the policy. Therefore, the excessive deflection in the dining room floor system is a MSD and covered by the policy;

(v) The record does not contain an itemized estimate of the cost to repair the two defects which the Hearing Examiner found to be covered;

(vi) The Deputy Receiver should procure at least two estimates from independent contractors upon which to base a compensation payment to Mr. Mousavipour; and

(vii) The Commission should reverse the Deputy Receiver's Determination of Appeal as it relates to the buckling shear wall supporting the second floor master bedroom and the deflection in the dining room floor system and affirm the Determination of Appeal in all other regards.

Upon consideration of the pleadings, prefiled testimony, transcript of the hearing, Hearing Examiner's Report and the comments thereto, the Commission is of the opinion and so finds that the Hearing Examiner's findings and recommendations should be adopted with modifications.

Accordingly, IT IS ORDERED THAT:

(1) The Petition of Farhad and Shohre Mousavipour as it relates to the buckling shear wall supporting the second floor master bedroom and the deflection in the dining room floor system be, and it is hereby, GRANTED;

(2) The Deputy Receiver's Determination of Appeal in Claim No. 9104401-A as it relates to the buckling shear wall supporting the second floor master bedroom and the deflection in the dining room floor system be, and it is hereby, REVERSED;

(3) The Petition of Farhad and Shohre Mousavipour as it relates to the deflection in the support member above the garage and the stairs leading to the upper outside deck be, and it is hereby, DENIED;

(4) The Deputy Receiver's Determination of Appeal in Claim No. 9104401-A as it relates to the deflection in the support member above the garage and the stairs leading to the upper outside deck be, and it is hereby, AFFIRMED;

(5) The repair costs for the buckling shear wall supporting the second floor master bedroom and the deflection in the dining room floor system are to be determined as follows:

(i) Petitioners and the Deputy Receiver shall each obtain a written estimate of the costs of repair for the two MSDs within a reasonable time, but not to exceed ninety (90) days;

(ii) Petitioners and the Deputy Receiver are to each select a licensed contractor of good repute to provide a written estimate for the cost of repairs to the buckling shear wall supporting the second floor master bedroom and the deflection in the dining room floor system;

(iii) For each MSD, the final amount awarded shall be the average of the two written estimates provided; and

(iv) The final amount awarded in accordance with the above-referenced procedure shall be considered a direct claim to be paid in accordance with the receivership payment procedure;

(6) The repair estimates are to include only the costs of repair to the MSDs and shall not include incidental expenses such as living expenses for the Petitioners and their family as well as storage expenses;

(7) The Deputy Receiver shall report the written estimates to the Commission in accordance with the aforementioned procedure;

(8) The Commission shall retain jurisdiction of this matter for such additional proceedings and orders as may be appropriate; and

(9) The case is continued generally until further order of the Commission.

CASE NO. INS970002
DECEMBER 2, 1998

PETITION OF
FARHAD AND SHOHRE MOUSAVIPOUR

For review of HOW Insurance Company, Home Warranty Corporation and Home Owners Warranty Corporation Deputy Receiver's Determination of Appeal

ORDER

On October 14, 1994, the Circuit Court of the City of Richmond, Virginia, entered an order appointing the State Corporation Commission ("Commission") the Receiver of HOW Insurance Company, Home Warranty Corporation and Home Owners Warranty Corporation ("HOW Companies"). The receivership order granted the Commission authority to proceed with the rehabilitation or liquidation of the HOW Companies and established a "Receivership Appeal Procedure" to govern any appeals or challenges to any decision rendered by the Receiver or the Receiver's duly authorized representatives.

On December 23, 1996, Farhad and Shohre Mousavipour ("Petitioners") filed a Petition for Review ("Petition") with the Commission contesting the Deputy Receiver's Determination of Appeal in Claim No. 9104401-A, denying the Petitioners' claim for coverage under their homeowners warranty insurance policy.

Chief Hearing Examiner Deborah V. Ellenberg heard this matter on September 3, 1997. By Hearing Examiner's Report dated March 24, 1998, Examiner Ellenberg outlined her findings and recommendations to the Commission. This report, among other things, identified two Major Structural

Defects ("MSDs") to Petitioners' home. The identified MSDs related to the buckling shear wall supporting the second floor master bedroom and the deflection in the dining room floor system.

By Order of April 29, 1998, the Commission adopted the Chief Examiner's findings and recommendations in part and ordered, inter alia, that: (i) the Petition of Farhad and Shohre Mousavipour as it relates to the buckling shear wall supporting the second floor master bedroom and the deflection in the dining room floor system be granted; (ii) the Deputy Receiver and the Petitioners obtain written estimates of the cost of repairs for the two identified MSDs within a reasonable time, not to exceed ninety (90) days; and (iii) the Deputy Receiver provide the written estimates to the Commission in accordance with the procedure outlined therein. The Commission retained jurisdiction of this matter for such additional proceedings and orders as may be appropriate, and the case was continued generally.

Reports of Progress ("Progress Reports" or "Reports") dated respectively July 1, July 28, and September 3, 1998, were filed by the Deputy Receiver with the Commission. Collectively, the Progress Reports revealed, among other things, that the Petitioners and Deputy Receiver ("Parties") had filed written estimates for repairs to Petitioners' home in accordance with the Commission's Order of April 29, 1998. Additionally, the Reports revealed that negotiations between the Parties on issues of: (i) destructive testing, (ii) family relocation costs, and (iii) the scope of repairs, were near or at an impasse. The Reports of July 1, and September 3, 1998, requested guidance from the Commission in resolving these issues.

Upon consideration of the Progress Reports and the Petitioners' comments thereto, the Commission is of the opinion that the Parties are at an impasse in resolving issues essential to the repair of Petitioner's home in accordance with the Commission's Order of April 29, 1998. Accordingly,

IT IS ORDERED THAT:

(1) Petitioners and the Deputy Receiver shall schedule a date(s) certain within ninety (90) days from the date of this Order for the inspection of Petitioners' home and the destructive testing of the two identified stress areas to determine the conditions causing the distress;

(2) Deputy Receiver shall repair any openings made or removal of finishes to Petitioners' home in conducting destructive testing therein, within a reasonable time, not to exceed thirty (30) days from the date(s) of the testing, by patching the openings and repainting completely the rooms containing the affected area(s) with identical materials;

(3) Deputy Receiver shall not provide relocation costs to Petitioners or their family members during and after the period(s) of destructive testing;

(4) Deputy Receiver shall submit a written report outlining its inspection and testing findings of Petitioners' home to the Commission within thirty (30) days of inspection and testing;

(5) Deputy Receiver shall submit a written repair estimate for Petitioners' home to the Commission within thirty (30) days of inspection and testing;

(6) If the Deputy Receiver and the Petitioners are unable to agree on a date(s) certain for inspection and testing of the identified stress areas of Petitioners' home within ninety (90) days of the date of this Order, then the repair estimate submitted by the Deputy Receiver as Exhibit A of Report of Progress dated July 28, 1998, Document Control Center No. 980740055, shall become approved as the proper repair estimate for curing the identified stress areas of Petitioners' home;

(7) Deputy Receiver shall within 90 days of the date of this Order, negotiate in good faith and with all deliberate speed with Petitioners to schedule inspection and testing date(s) and shall report its efforts to the Commission in a Report of Progress;

(8) The Commission shall retain jurisdiction of this matter for such additional proceedings and orders as may be appropriate; and

(9) The case is continued generally until further order of this Commission.

CASE NO. INS970026
APRIL 20, 1998

PETITION OF
LA VERGNE MARQUARDT

For review of Fidelity Bankers Life Insurance Company Trust Deputy Trustee's Determination of Appeal

ORDER

On May 13, 1991, the Circuit Court of the City of Richmond entered an order appointing the State Corporation Commission ("Commission") the Receiver of Fidelity Bankers Life Insurance Company ("Fidelity Bankers"). The receivership order authorized the Commission to conserve or rehabilitate the insurance affairs of Fidelity Bankers, and further authorized the Commission to take other appropriate steps as authorized by Chapter 15 of Title 38.2 of the Code of Virginia, as the Commission deemed advisable in the best interest of Fidelity Bankers, its policyholders, creditors, stockholders, and the public.

By order entered on September 19, 1991, the Commission adopted a "Receivership Appeal Procedure" to govern challenges by any creditor or interested party to any claim decision made by the Deputy Receiver.

On or about December 15, 1993, the Fidelity Bankers Life Insurance Company Trust was established pursuant to the Commission's Final Order approving the "Rehabilitation Plan" for Fidelity Bankers. Pursuant to the Commission's Final Order, the Deputy Receiver ("Deputy Receiver/Trustee") was appointed as Trustee of the Fidelity Bankers Life Insurance Company Trust.

On November 21, 1996, La Vergne Marquardt (f/k/a La Vergne Hageman) ("Petitioner") filed a Petition for Review with the Commission contesting the Deputy Receiver/Trustee's Determination of Appeal in Claim No. 611. The Deputy Receiver/Trustee denied the Petitioner's claim for benefits under a single premium whole life policy issued by Fidelity Bankers to her late husband George R. Hageman. In the Determination of Appeal, the Deputy Receiver/Trustee gave two reasons for denying the claim. First, the Deputy Receiver/Trustee stated that Mr. Hageman materially misrepresented his health condition in his application for coverage, and had Mr. Hageman fully disclosed his health condition, Fidelity Bankers would not have issued him a life insurance policy. Consequently, Fidelity Bankers was entitled to rescind the policy issued to Mr. Hageman. Second, the Deputy Receiver/Trustee stated that Petitioner's Proof of Claim form was not received by the Deputy Receiver/Trustee until May 3, 1993, two days after the May 1, 1993 bar date established by the Deputy Receiver/Trustee for the submission of claims against the estate of Fidelity Bankers.

By Order dated July 9, 1997, the Commission assigned this case to a Hearing Examiner to conduct further proceedings for the purpose of taking evidence and making recommendations to the Commission for the determination of this Petition for Review. Pursuant to this Order and subsequent rulings of the Hearing Examiner, the Hearing Examiner established a procedural schedule and calendared a telephonic hearing for January 13, 1998 to receive evidence on the Petition.

Upon consideration of the pleadings, prefiled testimony, transcript of the hearing, the Hearing Examiner's Report and the Comments submitted thereto, the Commission is of the opinion and finds that the Hearing Examiner's findings and recommendations should be adopted.

Accordingly, IT IS ORDERED THAT:

(1) The Petition of La Vergne Marquardt for review of the Deputy Receiver/Trustee's Determination of Appeal be, and it is hereby, GRANTED;

(2) The Deputy Receiver/Trustee's Determination of Appeal issued in Claim No. 611 on October 22, 1996 be, and it is hereby, REVERSED;

(3) The Petitioner's claim for benefits under a single premium whole life policy issued by Fidelity Bankers to her late husband George R. Hageman is awarded in the amount of twelve thousand four hundred twenty dollars ($12,420) plus interest at the legal rate, pursuant to § 6.1-330.53 of the Code of Virginia, from the date the policy was rescinded, which sums shall be considered as direct claims to be paid in accordance with the receivership payment procedure;

(4) The Petitioner's claim for attorney fees in this matter be, and it is hereby, DENIED; and

(5) The case is dismissed and the papers herein be passed to the file for ended causes.

CASE NO. INS970029
FEBRUARY 12, 1998

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
AFFILIATED AGENCIES, INC.,
Defendant

ORDER REVOKING LICENSE

IT APPEARING from an investigation by the Bureau of Insurance that Defendant, duly licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia as an insurance agent, in certain instances, violated §§ 38.2-1809 and 38.2-1813 of the Code of Virginia by failing to retain all of the agency's records relative to insurance transactions for the three previous calendar years, by failing to make records available for examination by the Commission, by failing in the ordinary course of business to pay funds to an insured or his assignee, insurer, insurance premium finance company or agent entitled to the payment, by failing to hold insureds' funds in a fiduciary capacity, and by commingling funds required to be held in a separate fiduciary account;

IT FURTHER APPEARING that the Commission is authorized by §§ 38.2-218, 38.2-219 and 38.2-1831 of the Code of Virginia to impose certain monetary penalties, issue cease and desist orders and to suspend or revoke Defendant's license upon a finding by the Commission, after notice and hearing, that Defendant has committed the aforesaid alleged violations;

IT FURTHER APPEARING that Defendant has been notified of Defendant's right to a hearing before the Commission in this matter by certified letter dated January 26, 1998, and mailed to the Defendant's address shown in the records of the Bureau of Insurance;

IT FURTHER APPEARING that Defendant, having been advised in the aforesaid manner of its right to a hearing in this matter, has failed to request a hearing and has not otherwise communicated with the Bureau of Insurance;

IT FURTHER APPEARING that the Bureau of Insurance, upon Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking all of Defendant's licenses to transact the business of insurance in the Commonwealth of Virginia as an insurance agent; and

THE COMMISSION is of the opinion and finds that Defendant has violated §§ 38.2-1809 and 38.2-1813 of the Code of Virginia by failing to retain all of the agency's records relative to insurance transactions for the three previous calendar years, by failing to make records available for examination by the Commission, by failing in the ordinary course of business to pay funds to an insured or his assignee, insurer, insurance premium finance company or agent entitled to the payment, by failing to hold insureds' funds in a fiduciary capacity, and by commingling funds required to be held in a separate fiduciary account;

THEREFORE, IT IS ORDERED THAT:

(1) The licenses of Defendant to transact the business of insurance as an agent in the Commonwealth of Virginia be, and they are hereby, revoked;

(2) All appointments issued under said licenses be, and they are hereby, void;

(3) Defendant transact no further business in the Commonwealth of Virginia as an insurance agent;

(4) Defendant shall not apply to the Commission to be licensed as an insurance agent in the Commonwealth of Virginia prior to two (2) years from the date of this order;

(5) The Bureau of Insurance cause a copy of this order to be sent to every insurance company for which Defendant holds an appointment to act as an insurance agent in the Commonwealth of Virginia; and

(6) The papers herein be placed in the file for ended causes.

CASE NO. INS970029
FEBRUARY 20, 1998

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
AFFILIATED AGENCIES, INC.,
Defendant

ORDER SUSPENDING EXECUTION OF JUDGMENT

UPON CONSIDERATION of a Petition for Reconsideration, Suspension of Order Revoking License and Request for Hearing by counsel for Affiliated Agencies, Inc. received by the Commission on February 20, 1998, and for good cause shown,

IT IS ORDERED that the execution of the judgment entered herein February 12, 1998, be and it is hereby, SUSPENDED until further order of the Commission.

CASE NO. INS970029
SEPTEMBER 15, 1998

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
AFFILATED AGENCIES, INC.,
Defendant

SETTLEMENT ORDER

IT APPEARING from an investigation and subsequent allegations by the Bureau of Insurance that Defendant, duly licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia, in certain instances, has violated §§ 38.2-1809 and 38.2-1813 of the Code of Virginia by failing to retain all of its records relative to insurance transactions for the three previous calendar years, by failing to make records available for examination by the Commission, by failing in the ordinary course of business to pay funds to an insured or his assignee, insurer, insurance premium finance company or agent entitled to the payment, by failing to hold insureds' funds in a fiduciary capacity, and by commingling funds required to be held in a separate fiduciary account; and

IT FURTHER APPEARING that the Commission is authorized by §§ 38.2-218, 38.2-219 and 38.2-1831 of the Code of Virginia to impose certain monetary penalties, issue cease and desist orders and to suspend or revoke Defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that Defendant has committed the aforesaid alleged violations;

IT FURTHER APPEARING that Defendant has been advised of its right to a hearing in this matter, whereupon Defendant, without admitting any violation of Virginia law, has made an offer of settlement to the Commission wherein Defendant (i) on or before December 31, 1998, has agreed to tender to the Commission the sum of one thousand dollars ($1,000); and (ii) has agreed that, on or after January 1, 1999, the Bureau of Insurance shall revoke all licenses of Defendant to transact the business of insurance as an insurance agency in the Commonwealth unless, on or before December 31, 1998, Defendant causes itself to be sold to a non-family member of one Carolyn V. Pence of Roanoke, Virginia ("Pence"); and

IT FURTHER APPEARING that the Bureau of Insurance has recommended that the Commission accept the offer of settlement of Defendant pursuant to the authority granted the Commission in § 12.1-15 of the Code of Virginia.

NOW, THEREFORE, HAVING CONSIDERED the offer of settlement of Defendant and the recommendation of approval thereof of the Bureau of Insurance, and for good cause shown, the Commission is of the opinion that such offer should be accepted.

IT IS ORDERED THAT:

(1) The offer of Defendant in settlement of the matters hereinbefore set forth be, and it is hereby, ACCEPTED;

(2) On or before December 31, 1998, Defendant shall tender to the Commission the sum of one thousand dollars ($1,000) in settlement of the matters herein; and

(3) On or after January 1, 1999, the Bureau of Insurance shall revoke the licenses of Defendant to transact the business of insurance as an insurance agency in the Commonwealth of Virginia unless, on or before December 31, 1998, Defendant causes itself to be sold to a non-family member of the aforesaid Pence.

CASE NO. INS970041
APRIL 7, 1998

PETITION OF
R&S COLONIAL BUILDERS, INC.

For review of HOW insurance Company, Home Warranty Corporation and Home Owners Warranty Corporation Deputy Receiver's Determination of Appeal

OPINION

On October 14, 1994, the Circuit Court of the City of Richmond entered an order appointing the State Corporation Commission ("Commission") Receiver of the HOW Insurance Company, Home Warranty Corporation and Home Owners Warranty Corporation (collectively "HOW"). The receivership order granted the Commission authority to proceed with the rehabilitation or liquidation of HOW and established a "Receivership Appeal Procedure" to govern any appeals or challenges to any decision rendered by the Receiver or the Receiver's authorized representatives.

On February 10, 1997, pursuant to the Receivership Appeal Procedure, R&S Colonial Builders, Inc. ("Petitioner" or "R&S") filed a petition with the Commission requesting the Commission to review a Determination of Appeal made by the Deputy Receiver. The Deputy Receiver's decision held the Petitioner responsible for repairing a septic system in the New Jersey home of Gilbert and Joni Moore ("the Moores"). By various rulings of this Commission, and the assigned Hearing Examiner, the Moores were joined as necessary parties and a hearing was conducted to receive evidence. The Report of the Hearing Examiner was issued on October 17, 1997. On December 15, 1997, this Commission issued a Final Order confirming the Hearing Examiner's findings of fact as well as his recommendation to affirm the Deputy Receiver's Determination of Appeal.

The facts developed in the prefiled testimony and transcript are simple and, for the most part, uncontested. In April of 1996 the Moores became concerned about the operation of their septic system, which had been installed by Petitioner, and contacted the Montgomery Township Board of Health ("Board of Health"). Board of Health employee Candida St. John, an environmental technician, inspected the monitoring ports and noted that the level of effluent had risen 10 and 14 inches in the two ports since the preceding October when the system was last inspected. The effluent level was within four inches of the lawn's grade. There were no signs of a systems malfunction,[1] but the increasing levels were seen as a preliminary indication of a possible problem. The Moores then contacted the engineering firm which designed the system, Van Cleef Engineering Associates, who in turn had one of their engineers run tube permeameter tests. The results of these tests showed that the select fill in the system had a permeability rate of .74 inches per hour. These results were sent to the Board of Health.

Upon receipt of the test results, Ms. St. John issued a letter determining that the system had failed[2] and instructing the Moores to present a plan of correction to the Board within 15 days. In response, the Moores instituted water use conservation measures designed to reduce the release of effluents into the system.

Mr. Richard Grosso, Sr., President of the Petitioner, inspected the system's monitoring ports in July of 1997 and reported that the effluent level had receded to five and one-half feet below grade. He further observed that there was no ponding, odor, or seepage.

A review of the HOW warranty documents reveals that, since the home in question is located in the State of New Jersey, this particular HOW agreement has been supplemented by §§ 5:25-3.4 through 5:25-3.7 of the New Jersey Administrative Code ("N.J.A.C."). The appropriate standard to be applied is articulated in § 5:25-3.5 (k) 1, which states that the "[s]eptic system is to be capable of properly handling the normal flow of household effluent." If not, the system is considered defective.

The determinative issue is whether or not the above facts constitute a failure of the system under the appropriate New Jersey standards. The Petitioner took the position that they do not. It pointed out that there is no overt indication of a system malfunction other than the April 1996 observations of Ms. St. John, which are only preliminary indications of possible trouble, not a failure per se.

The Moores argued, and the Deputy Receiver made the determination, that the system is malfunctioning for several reasons: (i) the select fill's permeability is below a two inch per hour rate mandated by the State of New Jersey, N.J.A.C., § 7:9a-10.1 (f) 5; (ii) the observations of Ms. St. John; (iii) the

[1] Such as the backing up of drains or toilets, and effluent ponding or breakout.

[2] The determination of failure was based on the Board of Health's interpretation of a State requirement of a permeability rate of 2 inches per hour for select fill.

determination of the Montgomery Township Board of Health; and (iv) that since the effluent level has, on occasion, risen to within four inches of the surface there will eventually be a catastrophic failure of the system if not corrected.

There was no dispute that the septic system in question was installed by the Petitioner in accordance with the plans approved by the Board of Health. Further, the system passed all inspections conducted by the Board of Health during construction. The witness from Van Cleef Engineering, Michael K. Ford, who conducted the tube permeameter test, testified under cross-examination that the system was performing above design standards for permeability.[3]

Under the terms of the HOW insurance/warranty documents, homeowners are given a ten year protection plan on their home. The plan consists of a builder's limited warranty during the first and second years of the program, followed by coverage for major structural defects which occur during years three through ten of the program. The builder of the home is primarily responsible for all repairs made during the limited warranty period as well as any major structural defects which develop in the first two years after enrollment. The builder and HOW share responsibility for structural defects in years three through ten.

According to performance standard 14. B. 1 of the HOW insurance/warranty documents, when the septic system fails to operate properly in the limited warranty period, the builder is responsible for corrective measures. The system must function adequately during all seasons, under climatic conditions normal for the location of the home. The only exception to this duty is if the malfunction is caused by homeowner actions, either in procuring the septic system or in subsequent alterations. There is no evidence that the Moores in any way contributed to the malfunction.

In its Comments to the Hearing Examiner's Report, the Petitioner argued that the two inch per hour requirement for select fill permeability only applies at the time of installation, as their witness, Mr. Ford, contended, not after effluent has been introduced into the system. The Petitioner objects to the Hearing Examiner's reliance on Ms. St. John's interpretation of New Jersey standards, rather than Mr. Ford's, who is a licensed professional engineer.

The Moores contend that the failure was in the select fill and not in the overall design of the system. They further contend that § 7:9a-10.1 (f) 5 (ii), the two inch standard, applies at all times, not just at construction.

The claim asserted by the Moores was one covered under the limited warranty portions of the HOW warranty/insurance agreements. As stated above, the claim is governed by 14 B. 1 of the HOW performance standards, which requires R&S to correct any failure in the system, whatever the cause. Since this coverage is in the nature of a warranty, there is no need for a showing that the Petitioner has been negligent in the construction of the system. Pursuant to § 5:25-3.5 (k) 1 of the N.J.A.C., if the septic system is not "capable of properly handling the normal flow of household effluent" there is, by definition, a system failure, regardless of the parties' varying interpretations as to the appropriate permeability rate.

The evidence presented on the question of whether or not the septic system can "handle the normal flow of household effluent" indicates that on occasion the effluent level has risen to within four inches of the surface grade, causing the Homeowners to curtail their water consumption in order to reduce the stress on the system, in compliance with the instructions of the Board of Health to correct the problem. Had the Moores not reduced the normal flow of household effluents, the evidence indicated that there would have been a failure of the system. Ms. St. John testified that failure is imminent if the Moores were to cease their conservation efforts. This testimony was uncontested.

The evidence, when taken as a whole, shows that the septic system is not capable of handling the normal flow of household effluent. We agree with the Deputy Receiver's position that the Moore's should not have to suffer catastrophic failure to obtain relief.

For the foregoing reasons, we affirmed the Deputy Receiver's Determination of Appeal.

[3] According to the witness, the approved plan was for a "K1" system which has a design permeability rate of between .2 and .6 of an inch per hour. The system was maintaining a rate of .75 of an inch per hour.

CASE NO. INS970051
JUNE 18, 1998

PETITION OF
SIMAK AND SORAYA LAMEI

For review of HOW Insurance Company, Home Warranty Corporation and Home Owners Warranty Corporation Deputy Receivers Determination of Appeal

ORDER

On October 14, 1994, the Circuit Court of the City of Richmond, Virginia, entered an order appointing the State Corporation Commission ("Commission") the Receiver of HOW Insurance Company, Home Warranty Corporation and Home Owners Warranty Corporation ("HOW Companies" or "HOW"). The receivership order granted the Commission authority to proceed with the rehabilitation or liquidation of the HOW Companies and established a "Receivership Appeal Procedure" ("RAP") to govern any appeals or challenges to any decisions rendered by the Receiver or the Receiver's duly authorized representatives.

On February 25, 1997, Simak and Soraya Lamei ("Petitioners") filed a Petition with the Commission contesting the Deputy Receiver's ruling of January 27, 1997, rejecting Petitioners' Notice of Appeal in Claim No. 2554616, as untimely filed pursuant to the Receivership Appeal Procedure. Petitioners presented a claim for the cost to repair foundation damage, damage to windows, doors, and brick veneer directly resulting from the settling of the house, and for additional damage that is expected to result when the foundation defect is cured.

By Order dated March 6, 1997, the Commission assigned this case to a hearing examiner to conduct further proceedings for the purposes of taking evidence and making recommendations to the Commission for the determination of this Petition. Also, this order directed the Deputy Receiver to file an Answer or other responsive pleading to the Petition on or before April 25, 1997.

On April 25, 1997, the Deputy Receiver filed a Motion to Dismiss and Answer to Petition for Review along with a memorandum in support thereof. Therein, the Deputy Receiver asserted, inter alia, that: (i) Petitioner's Notice of Appeal was not timely filed according to the Receivership Appeal Procedure; (ii) Petitioners are barred from making claims with respect to the alleged defect inasmuch as they executed a release and accepted a settlement payment; and (iii) Petitioners make no allegations sufficient to constitute a Major Structural Defect (MSD) under the coverage still in effect.

Following Petitioners' Response to the Motion to Dismiss, and the Deputy Receiver's Reply to Petitioner's Response to the Motion to Dismiss, the Hearing Examiner by ruling dated May 27, 1997, denied the Motion to Dismiss.

On October 1, 1997, a telephonic hearing was convened. Howard W. Dobbins, Esquire, and Lonnie W. Fugit, Esquire, appeared as counsel for the Deputy Receiver. Eric T. Johnson, Esquire, and Johnson Kanady, Esquire, represented the Petitioners.

After reviewing the filings and evidence presented in the case, the Hearing Examiner made the following findings and recommendations:

(i) The October 1995 release which Petitioners executed relieves the Deputy Receiver from any further liability for foundation damage;

(ii) The only coverage in effect at the time of Petitioners' claim is that for Major Structural Defects;

(iii) Damage to doors, windows, and brick veneer is expressly excluded from Major Structural Defect coverage under the terms of the HOW documents;

(iv) The Commission should enter an order adopting her findings, affirming the Deputy Receiver's denial of Claim No. 2554616, and dismissing this case from the docket of active matters.

Upon consideration of the pleadings, prefiled testimony, transcript of the hearing, and the Hearing Examiner's Report, the Commission is of the opinion that the Hearing Examiner's findings and recommendations should be adopted. Accordingly,

IT IS ORDERED THAT:

(1) The Petition of Simak and Soraya Lamei for review of the Deputy Receiver's ruling of January 27, 1997, rejecting Petitioners' claim under Claim No. 2554616 be, and it is hereby, DENIED;

(2) The Deputy Receiver's ruling of January 27, 1997, denying Petitioners' claim under Claim No. 2554616 be, and it is hereby, AFFIRMED; and

(3) The case is dismissed from the docket of active matters and the papers therein passed to the file for ended causes.

CASE NO. INS970072
JULY 6, 1998

PETITION OF
BILLY RAY HEAD BUILDER, INC.

For review of HOW Insurance Company, Home Warranty Corporation and Home Owners Warranty Corporation Deputy Receiver's Determination of Appeal

ORDER

On October 14, 1994, the Circuit Court of the City of Richmond, Virginia, entered an order appointing the State Corporation Commission ("Commission") the Receiver of HOW Insurance Company, Home Warranty Corporation and Home Owners Warranty Corporation ("HOW Companies" or "HOW"). The receivership order granted the Commission authority to proceed with the rehabilitation or liquidation of the HOW Companies and established a "Receivership Appeal Procedure" to govern any appeals or challenges to any decisions rendered by the Receiver or the Receiver's duly authorized representatives.

On February 15, 1997, Billy Ray Head Builder, Inc. ("Petitioner" or "Builder") by its president, Billy Ray Head, filed a Petition with the State Corporation Commission contesting the Deputy Receiver's Determination of Appeal on Dispute No. D3081, which found Petitioner responsible for correcting problems with the septic system and the drain field lines in a home owned by Terry W. and Doris J. Causey ("Homeowners"), and located at 293 Lee Road 916, Phenix City, Alabama.

By order dated April 3, 1997, the Commission docketed the Petition, and assigned the case to a Hearing Examiner to conduct further proceedings for the purposes of taking evidence and making recommendations to the Commission for the determination of this Petition for Review. Pursuant to Hearing Examiner's Rulings dated respectively May 8, and August 5, 1997, the Homeowners were joined as a party to the proceeding, and a telephonic hearing was calendared for October 6, 1997.

On the appointed day of the hearing, Petitioner appeared pro se. Howard W. Dobbins, Esquire, and Lonnie W. Fugit, Esquire, appeared as counsel to the Deputy Receiver. Mrs. Causey appeared for the Homeowners, and as a witness for the Deputy Receiver. The Petitioner contended, inter alia, that the septic system failed due to the occurrence of a springhead, an act of God, rather than as a result of faulty construction. The Deputy Receiver

asserted, among other things, that the septic system failed, that there is no evidence of a springhead, and that the Builder is responsible to correct the defect under the terms of the HOW Insurance/Warranty document.

After considering the filings submitted in the case, the Hearing Examiner made the following findings of fact and recommendations:

(i) The septic system failed within the warranty period and that the Homeowners provided timely notice of their claim;

(ii) No evidence was presented that the Homeowners were negligent, failed to maintain the system or otherwise acted to adversely affect the system operations;

(iii) No evidence was presented that a new springhead developed subsequent to installation of the original system;

(iv) The HOW Warranty/Insurance document clearly provides that the Petitioner has the responsibility to repair or otherwise correct the malfunctioning septic system; and

(v) The Commission should enter an order adopting her findings, affirming the Deputy Receiver's denial of Dispute No. D3081, and dismissing this case from the docket of active matters.

The Commission is of the opinion and so finds that the Hearing Examiner's findings and recommendations should be adopted.

Accordingly, IT IS ORDERED THAT:

(i) The Petition of Billy Ray Head, Inc. for review of the Deputy Receiver's Determination of Appeal be, and it is hereby, DENIED;

(ii) The Deputy Receiver's Determination of Appeal issued in Dispute No. D3081, on January 17, 1997, be, and it is hereby, AFFIRMED;

(iii) The case is dismissed and the papers herein be passed to the file for ended causes.

CASE NO. INS970084
JANUARY 9, 1998

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
OPTIMUM CHOICE, INC.,
Defendant

SETTLEMENT ORDER

IT APPEARING from a market conduct examination performed by the Bureau of Insurance that Defendant, duly licensed by the Commission to transact the business of a health maintenance organization in the Commonwealth of Virginia, in certain instances, may have violated subsection 1 of § 38.2-502 and §§ 38.2-503, 38.2-511, 38.2-316 B, 38.2-316 C, 38.2-604 C 4, 38.2-1812 A, 38.2-1822 A, 38.2-1834 C, 38.2-3407.4 A, 38.2-4301 B 8, 38.2-4306 A, 38.2-4308 B, 38.2-4312 A, and 38.2-4313 of the Code of Virginia, as well as 14 VAC 5-90-50, 14 VAC 5-90-60, 14 VAC 5-90-90, 14 VAC 5-90-110, 14 VAC 5-90-130, 14 VAC 5-90-170, 14 VAC 5-120-50, 14 VAC 5-120-70, 14 VAC 5-120-100, and 14 VAC 5-120-110;

IT FURTHER APPEARING that the Commission is authorized by §§ 38.2-218, 38.2-219 and 38.2-4316 of the Code of Virginia to impose certain monetary penalties, issue cease and desist orders and to suspend or revoke Defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that Defendant has committed the aforesaid alleged violations;

IT FURTHER APPEARING that Defendant has been advised of its right to a hearing in this matter, whereupon Defendant, without admitting any violation of Virginia law, has made an offer of settlement to the Commission wherein Defendant has tendered to the Commonwealth of Virginia the sum of fifty-six thousand dollars ($56,000), has waived its right to a hearing and has agreed to the entry by the Commission of a cease and desist order; and

IT FURTHER APPEARING that the Bureau of Insurance has recommended that the Commission accept the offer of settlement of Defendant pursuant to the authority granted the Commission in § 12.1-15 of the Code of Virginia,

IT IS ORDERED THAT:

(1) The offer of Defendant in settlement of the matter set forth herein be, and it is hereby, accepted;

(2) Defendant cease and desist from any conduct which constitutes a violation of subsection 1 of § 38.2-502 and §§ 38.2-503, 38.2-511, 38.2-316 B, 38.2-316 C, 38.2-604 C 4, 38.2-1812 A, 38.2-1822 A, 38.2-1834 C, 38.2-3407.4 A, 38.2-4301 B 8, 38.2-4306 A, 38.2-4308 B, 38.2-4312 A, and 38.2-4313 of the Code of Virginia, as well as 14 VAC 5-90-50, 14 VAC 5-90-60, 14 VAC 5-90-90, 14 VAC 5-90-110, 14 VAC 5-90-130, 14 VAC 5-90-170, 14 VAC 5-120-50, 14 VAC 5-120-70, 14 VAC 5-120-100, and 14 VAC 5-120-110; and

(3) The papers herein be placed in the file for ended causes.

CASE NO. INS970092
JANUARY 26, 1998

PETITION OF
ENRICO P. AND JANICE SICO

For review of HOW Insurance Company, Home Warranty Corporation and Home Owners Warranty Corporation Deputy Receiver's Determination of Appeal

FINAL ORDER

By Order of the State Corporation Commission ("Commission") entered herein on April 2, 1997, this case was assigned to a Hearing Examiner to conduct further proceedings for the purposes of taking evidence and making recommendations to the Commission for the determination of this Petition for Review. Pursuant to that Order and Hearing Examiner's Ruling dated September 16, 1997, the Hearing Examiner established a procedural schedule and calendared a telephonic hearing for October 16, 1997.

On the hearing date, Howard W. Dobbins, Esquire, and Susan E. Salch, Esquire, appeared as counsel for the Deputy Receiver. The Petitioners, Enrico P. and Janice Sico, appeared pro se. Petitioners contend, inter alia, that structural damage to the front steps of their home constitutes a major structural defect since the steps are attached to and affect the front load-bearing portion of the home. The Deputy Receiver contends, inter alia, that the problem with Petitioners' front steps does not constitute a major structural defect because the steps were poured separately from the house foundation and the settlement of the steps has not affected the structural integrity of the home.

The HOW insurance documents define a major structural defect as "[a]ctual physical damage to any of the following designated load-bearing portions of the Home caused by failure of such load-bearing portions which affects their load-bearing functions to the extent that the Home becomes unsafe, unsanitary or otherwise unlivable." The eight (8) load-bearing portions of the home covered for major structural defects include: (1) foundation systems and footings; (2) beams; (3) girders; (4) lintels; (5) columns; (6) walls and partitions; (7) floor systems; and (8) roof framing systems.

After reviewing the testimony and evidence presented in the case, the Hearing Examiner made the following findings and recommendations:

(i) The front steps of Petitioners' home are cracking, settling and deteriorating;

(ii) The front steps are not tied into the load-bearing portions of the home;

(iii) The settlement of the front steps has not affected the structural integrity of the home;

(iv) The front steps were poured separately from the main foundation and have not adversely affected the foundation;

(v) The damage to and the settlement of the front steps does not constitute a major structural defect as defined by the HOW insurance documents;

(vi) The Commission should enter an order adopting the findings in his report, affirming the Deputy Receiver's Determination of Appeal, and dismissing this case and passing the papers herein to the file for ended causes.

Upon consideration of the pleadings, prefiled testimony, transcript of the hearing and the Hearing Examiner's Report, the Commission is of the opinion and so finds that the Hearing Examiner's findings and recommendations should be adopted.

Accordingly, IT IS ORDERED THAT:

(1) The Petition of Enrico P. and Janice Sico for review of the Deputy Receiver's Determination of Appeal, be and it is hereby, DENIED;

(2) The Deputy Receiver's Determination of Appeal issued in Claim No. 3216694, on February 17, 1997, be and it is hereby, AFFIRMED; and

(3) The case is dismissed and the papers herein be passed to the file for ended causes.

CASE NO. INS970097
MARCH 5, 1998

PETITION OF
CENTURY HOMES, INC.

For review of HOW Insurance Company, Home Warranty Corporation and Home Owners Warranty Corporation Deputy Receiver's Determination of Appeal

ORDER

On October 14, 1994, the Circuit Court of the City of Richmond, Virginia entered an order appointing the State Corporation Commission ("Commission") the Receiver of the HOW Insurance Company, Home Warranty Corporation and Home Owners Warranty Corporation ("HOW Companies"). The receivership order granted the Commission authority to proceed with the rehabilitation or liquidation of the HOW Companies and

established a "Receivership Appeal Procedure" to govern any appeals or challenges rendered by the Receiver or the Receiver's duly authorized representatives.

On March 31, 1997, Century Homes, Inc. ("Petitioner" or "Century Homes") filed a Petition for Review ("Petition") with the Commission contesting the Deputy Receiver's Determination of Appeal in Claim No. D3079. By Order dated April 15, 1997, the Commission assigned this case to a Hearing Examiner to conduct further proceedings for the purpose of taking evidence and making recommendations to the Commission for the determination of this Petition for Review. Pursuant to that Order and Hearing Examiner's Ruling dated January 15, 1998, the Hearing Examiner established a procedural schedule and calendared a telephonic hearing date of January 26, 1998.

On the hearing date, William R. Mauck, Jr., Esquire, and Lonnie W. Fugit, Esquire, appeared as counsel for the Deputy Receiver. Charles and Melanie Tuttle (Homeowners) appeared as witnesses for the Deputy Receiver. Century Homes, Inc. (Petitioner) by its President, James Sieradzki, failed to appear at the telephonic hearing, and submitted no evidentiary filings as required by various rulings of the Hearing Examiner. Based upon Petitioner's non-appearance at the telephonic hearing and its failure to submit evidentiary filings, the Deputy Receiver moved that the Petition for Review of Century Homes, Inc. be dismissed with prejudice. Thereafter, ruling from the bench, the Hearing Examiner granted the Deputy Receiver's Motion to Dismiss.

After considering the proceedings in this matter, the Hearing Examiner in his report of January 26, 1998, made the following findings and recommendations:

(i) Mr. Sieradzki has been given ample opportunity to appear before the Commission;

(ii) Mr. Sieradzki has been afforded the privilege of speaking on behalf of his corporation without an attorney;

(iii) Mr. Sieradzki has not complied with the requirements of the Hearing Examiner's Rulings in this case and was not present at the telephonic hearing;

(iv) The Deputy Receiver's motion to dismiss with prejudice and should be granted; and

(v) The Commission should enter an order confirming the Deputy Receiver's Determination of Appeal and dismissing this case from the docket of active proceedings.

Upon consideration of the pleadings, prefiled testimony, transcripts of the hearing, and the report of the Hearing Examiner, the Commission is of the opinion and so finds that the Hearing Examiner's findings and recommendations should be adopted.

Accordingly, IT IS ORDERED that:

(1) The Deputy Receiver's Motion to Dismiss with prejudice Petitioner's Petition for Review be, and it is hereby, GRANTED;

(2) The Petition of Century Homes, Inc. for review of the Deputy Receiver's Determination of Appeal be, and it is hereby, DENIED;

(3) The Deputy Receiver's Determination of Appeal issued in Claim No. D3079 on March 7, 1997 be, and it is hereby, AFFIRMED; and

(4) This case is dismissed from the docket of active proceedings and the papers herein be passed to the file for ended causes.

CASE NO. INS970106
FEBRUARY 17, 1998

PETITION OF
ANTHONY AND MARION PISCIOTTANO

For review of HOW Insurance Company, Home Warranty Corporation and Home Owners Warranty Corporation Deputy Receiver's Determination of Appeal

ORDER

On March 17, 1997, Anthony and Marion Pisciottano ("Petitioners") filed a Petition for Review ("Petition") with the State Corporation Commission ("Commission") contesting the Deputy Receiver's Determination of Appeal issued in Claim No. 3330540, denying the Petitioners' claim for coverage under their homeowners warranty insurance policy regarding a problem with standing water in the crawl space of their home at 135 Narberth Way, Toms River, New Jersey.

By Order of the Commission entered herein on April 15, 1997, this case was assigned to a Hearing Examiner to conduct further proceedings for the purposes of taking evidence and making recommendations to the Commission for the determination of this Petition. Pursuant to that Order, and Hearing Examiner's Ruling of October 7, 1997, the Hearing Examiner established a procedural schedule and calendared a telephonic hearing for December 17, 1997.

On December 17, 1997, Mr. Pisciottano appeared pro se while Howard W. Dobbins, Esquire, and Lon W. Fugit, Esquire, appeared as counsel for the Deputy Receiver. The Petitioners contend, inter alia, that: (i) their home was owned previously by Mrs. Carol Stellar and enrolled in the HOW warranty program on November 6, 1991; (ii) they purchased the home from the estate of Mrs. Stellar on September 1, 1995; (iii) they did not notice any water problems until sometime in 1996; (iv) they filed a claim with HOW in October 1996; (v) Petitioners installed a water collection system to prevent further damage to their home; (vi) the seepage and standing of water through the foundation constitutes a Major Structural Defect as defined in the HOW Insurance/Warranty documents; (vii) prior claims made by Petitioners and the previous owner of the home to the builder and engineers have not resulted in

the correction of the described conditions; and (viii) the Companies have paid claims for similar problems which were previously made by other homeowners in the same development.

The Deputy Receiver contends, inter alia, that: (i) site grading and drainage are covered only during the first year of the HOW Program Builder's Limited Warranty; (ii) the only HOW coverage available to Petitioners relate to specifically defined Major Structural Defects; and (iii) since Petitioners' claim is neither within the one-year HOW Program Builder's Limited Warranty period, nor for a defined "Major Structural Defect," the Deputy Receiver denies any liability to the Petitioners concerning their claim.

The HOW insurance/warranty explicitly limits the HOW Program Builder's Limited Warranty period to one year for defects due to noncompliance with performance standards listed in the HOW insurance/warranty, and provides an additional year of coverage for specifically designated systems such as the electrical, plumbing, heating, cooling, and ventilation systems. Additionally, the express contractual provisions of the HOW insurance/warranty require claims to be "received by HOW no later than thirty (30) days after the Limited Warranty coverage on that item expires." Petitioners filed their claim with the HOW Companies in 1996, well beyond the coverage expiration period of November 6, 1993, under the Builder's Limited Warranty.

When the Petitioners filed their claim with the HOW Companies, the only HOW coverage still in effect related solely to Major Structural Defects. The HOW insurance/warranty defines a Major Structural Defect as "[a]ctual physical damage to any of the following designated load-bearing portions of the home caused by failure of such load-bearing portions which affects their load-bearing functions to the extent that the Home becomes unsafe, unsanitary or otherwise unlivable: (1) foundation systems footings; (2) beams; (3) girders; (4) lintels; (5) columns; (6) walls and partitions; (7) floor systems; and (8) roof framing systems." The record in this case does not support the Petitioners' claim that standing water in their crawl space either is or has caused a Major Structural Defect as defined by the HOW insurance/warranty.

After receiving the evidence presented in the case, the Hearing Examiner made the following findings and recommendations:

(i) The HOW Program Builder's Limited Warranty coverage period on Petitioners' home located at 135 Narberth Way, Toms River, New Jersey, began to run on November 6, 1991, with the original homeowner, Mrs. Carol Stellar;

(ii) The original homeowner, Mrs. Carol Stellar, filed no timely claim with the HOW Companies under the Builder's Limited Warranty;

(iii) All coverage under the Builder's Limited Warranty expired November 6, 1993;

(iv) Petitioners filed their claim in 1996, well beyond the expiration of coverage under the Builder's Limited Warranty;

(v) The Deputy Receiver correctly denied Petitioners' claim for coverage under the Builder's Limited Warranty;

(vi) When the Petitioners purchased their home the only coverage still in effect related solely to Major Structural Defects;

(vii) The record in this case does not support the Petitioners' claim that water in their crawl space either is or has caused a Major Structural Defect as defined by the HOW insurance/warranty;

(viii)Petitioners' claim regarding water in their crawl space does not constitute a Major Structural Defect as defined by the HOW insurance/warranty; and

(ix) The Commission should enter an order adopting his findings, affirming the Deputy Receiver's denial of Claim No. 3330540, and dismissing this case from the docket of active matters.

Upon consideration of the pleadings, prefiled testimony, transcript of the hearing, and the Hearing Examiner's Report, the Commission is of the opinion and so finds that the Hearing Examiner's findings and recommendations should be adopted.

Accordingly, IT IS ORDERED THAT:

(1) The Petition of Anthony and Marion Pisciottano for review of the Deputy Receiver's Determination of Appeal, be and it is hereby, DENIED;

(2) The Deputy Receiver's Determination of Appeal in Claim No. 3330540, be and it is hereby, AFFIRMED; and

(3) The case is dismissed and the papers herein be passed to the file for ended causes.

CASE NO. INS970157
MAY 14, 1998

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
QUAKER CITY INSURANCE COMPANY,
Defendant

ORDER TO TAKE NOTICE

WHEREAS, § 38.2-1040 of the Code of Virginia provides, inter alia, that the Commission may suspend or revoke the license of any insurance company to transact the business of insurance in the Commonwealth of Virginia whenever the Commission finds that the company is insolvent, or is in a condition that any further transaction of business in this Commonwealth is hazardous to its policyholders, creditors, and public in this Commonwealth;

WHEREAS, for reasons stated in an order entered herein October 2, 1997, the Commission suspended the license of Quaker City Insurance Company, a foreign corporation domiciled in the Commonwealth of Pennsylvania, and licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia ("Defendant");

WHEREAS, by order entered in the Commonwealth Court of Pennsylvania on September 26, 1997, and effective October 1, 1997, in Case No. 817MD1997, Defendant was declared insolvent, and the Acting Commissioner of Insurance for the Commonwealth of Pennsylvania was appointed the Liquidator of Defendant and directed to liquidate the business and affairs of Defendant; and

WHEREAS, the Bureau of Insurance has recommended that Defendant's license to transact the business of insurance in the Commonwealth of Virginia be revoked;

THEREFORE, IT IS ORDERED that Defendant TAKE NOTICE that the Commission shall enter an order subsequent to May 26, 1998, revoking the license of Defendant to transact the business of insurance in the Commonwealth of Virginia unless on or before May 26, 1998, Defendant files with the Clerk of the Commission, Document Control Center, P.O. Box 2118, Richmond, Virginia 23218, a request for a hearing before the Commission with respect to the proposed revocation of Defendant's license.

CASE NO. INS970157
JUNE 2, 1998

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
QUAKER CITY INSURANCE COMPANY,
Defendant

ORDER REVOKING LICENSE

WHEREAS, for the reasons stated in an order entered herein May 14, 1998, Defendant was ordered to take notice that the Commission would enter an order subsequent to May 26, 1998, revoking the license of the Defendant to transact the business of insurance in the Commonwealth of Virginia unless on or before May 26, 1998, Defendant filed with the Clerk of the Commission a request for a hearing before the Commission to contest the proposed revocation of Defendant's license; and

WHEREAS, Defendant failed to file a request to be heard before the Commission with respect to the proposed revocation of Defendant's license;

THEREFORE, IT IS ORDERED THAT:

(1) Pursuant to § 38.2-1040 of the Code of Virginia, the license of Defendant to transact the business of insurance in the Commonwealth of Virginia be, and it is hereby, REVOKED;

(2) Defendant shall issue no new contracts or policies of insurance in the Commonwealth of Virginia;

(3) The appointments of Defendant's agents to act on behalf of Defendant in the Commonwealth of Virginia be, and they are hereby, REVOKED;

(4) The Bureau of Insurance shall cause an attested copy of this order to be sent to each of Defendant's agents appointed to act on behalf of Defendant in the Commonwealth of Virginia as notice of the revocation of such agent's appointment; and

(5) The Bureau of Insurance shall cause notice of the revocation of Defendant's license to be published in the manner set forth in § 38.2-1043 of the Code of Virginia.

CASE NO. INS970182
JANUARY 30, 1998

PETITION OF
LUNN LIMITED

For review of HOW Insurance Company, Home Warranty Corporation and Home Owners Warranty Corporation Deputy Receiver's Determination of Appeal

ORDER

On June 9, 1997, Lunn Limited ("Petitioner" or "Builder") filed a Petition with the State Corporation Commission ("Commission") appealing the Deputy Receiver's Determination of Appeal in Dispute No. D2623 issued on May 8, 1997. In that Determination of Appeal, the Deputy Receiver found the Petitioner responsible for repairing the following defects in a home constructed by Petitioner: (1) basement floor severely cracked and buckled; (2) basement walls contain stress cracks around entire foundation resulting in water leakage after rainfall; (3) garage door lintel not supporting the load imposed resulting in cracks in the exterior brick wall; (4) stress cracks returning in several locations; and (5) bathroom ceramic tile floor cracking and buckling;

By Order of the State Corporation Commission ("Commission") entered herein on July 8, 1997, this case was assigned to a Hearing Examiner ("Examiner") to conduct further proceedings for the purposes of taking evidence and making recommendations to the Commission for determination of this Petition for Review. Pursuant to that Order and Hearing Examiner Ruling dated August 19, 1997, the Examiner established a procedural schedule and calendared a telephonic hearing for November 24, 1997.

On August 14, 1997, the Deputy Receiver filed an Answer to the Petition for Review and claimed, inter alia, that the subject home contained two (2) major structural defects -- one existing in the foundation system of the home and the other resulting from the size inadequacy of the garage door lintel to support the load imposed upon it. A "Major Structural Defect" is defined as "[a]ctual physical damage to any of the following designated load-bearing portions of the Home caused by failure of such load-bearing portions which affects their load-bearing functions to the extent that the Home becomes unsafe, unsanitary or otherwise unlivable: (1) foundation systems and footings; (2) beams; (3) girders; (4) lintels; (5) columns; (6) walls and partitions; (7) floor systems; and (8) roof framing systems."

Additionally, in that same Answer, the Deputy Receiver moved that Paul J. Seger ("Homeowner") be joined as a necessary party to the proceeding. By Hearing Examiner's Ruling dated August 19, 1997, the Homeowner was made a party to the proceeding.

On the hearing date, Howard W. Dobbins, Esquire and Susan E. Salch, Esquire, appeared as counsel for the Deputy Receiver. The Homeowner appeared as a witness for the Deputy Receiver. The Petitioner did not appear, and a telephone operator left a message on Petitioner's answering machine advising the Petitioner of the commencement of the telephonic hearing. The proceeding was continued for ten (10) minutes in order to provide Petitioner additional time to appear. Thereafter, the Petitioner's failure to appear was noted for the record. The Deputy Receiver presented its case, including the examination of lay and expert witnesses, along with the adoption of the witnesses' prefiled testimony.

After receiving the testimony and evidence presented in the case, the Examiner made the following findings and recommendations:

(i) The Petitioner was provided notice of the hearing on its Petition for Review;

(ii) The Petitioner failed to appear at the hearing;

(iii) The Petitioner should be held in default;

(iv) The Petitioner's Petition for Review should be dismissed by the Commission with prejudice;

(v) The Homeowner's residence contains two (2) major structural defects: (A) The first major structural defect is in the foundation of the home, which is continuing to settle causing crackling and buckling of the basement floor, stress cracking of the foundation walls, stress cracking of several interior walls, stress cracking and buckling of the bathroom ceramic tile floor, and causing the floor in the kitchen and foyer to become unlevel; and (B) The second major structural defect is in the lintel above the garage door, which is undersized, causing excessive deflection and cracking in the brick wall above the door.

(vi) The Homeowner's residence has major structural defects in the foundation and in the lintel above the garage door, and the resulting damage to the residence caused by the defects are covered under the HOW Insurance/Warranty document.

(vii) The Commission should enter an order affirming the Deputy Receiver's Determination of Appeal and dismissing Lunn Limited's Petition for Review with prejudice.

Upon consideration of the pleadings, prefiled testimony, transcript of the hearing and the Hearing Examiner's Report, the Commission is of the opinion and so finds that the Examiner's recommendations should be adopted.

Accordingly, IT IS ORDERED that:

(1) The Petition of Lunn Limited for review of the Deputy Receiver's Determination of Appeal, be and it is hereby, DENIED;

(2) The Deputy Receiver's Determination of Appeal issued in Dispute No. D2623, on May 8, 1997 be, and it is hereby, AFFIRMED;

(3) The case is dismissed with prejudice and the papers therein be passed to the file for ended causes.

CASE NO. INS970183
APRIL 17, 1998

PETITION OF
TRIGNY CORPORATION

For review of HOW Insurance Company Home Warranty Corporation and Home Owners Warranty Corporation Deputy Receiver's Determination of Appeal

ORDER

On October 14, 1994, the Circuit Court of the City of Richmond, Virginia entered an order appointing the Virginia State Corporation Commission ("Commission") the Receiver of the HOW Insurance Company, Home Warranty Corporation and Home Owners Warranty Corporation ("HOW Companies" or "HOW"). The Receivership order granted the Commission authority to proceed with the rehabilitation or liquidation of the HOW Companies and established a "Receivership Appeal Procedure" to govern any appeals or challenges to any decisions rendered by the Receiver's duly authorized representatives.

On June 6, 1997, the Trigny Corporation ("Petitioner") filed a Petition for Review ("Petition") with the Commission contesting the Deputy Receiver's Determination of Appeal in Claim No. D1535. The Deputy Receiver determined the following items were the Petitioner's responsibility to repair on a home located at 3110 154th Street, S.W., Lynnwood, Washington 98037: (1) squeaking floors upstairs; (2) paint touch-up on exterior surfaces; and (3) ripped drywall tape around a ventilation duct/wall joint.

By Order dated June 27, 1997, the Commission assigned this case to a Hearing Examiner to conduct further proceedings for the purpose of taking evidence and making recommendations to the Commission for the determination of this Petition for Review. Pursuant to this Order and subsequent rulings of the Hearing Examiner, the Hearing Examiner established a procedural schedule and calendared a telephonic hearing for December 16, 1997, to receive evidence on the Petition. Additionally, the Order directed the Deputy Receiver to file an Answer or other responsive pleading to the Petition on or before August 8, 1997.

On August 8, 1997, the Deputy Receiver filed an Answer to the Petition. Therein, the Deputy Receiver declared: (i) the squeaking upstairs floors did not meet the requirements of HOW Performance Standard 4-A-1; (ii) the paint on the exterior trim did not meet requirements of HOW's Performance Standard 7-F-1; and (iii) the ripped drywall tape around the ventilation duct/wall joint did not meet the requirements of HOW's Performance Standard 7-B-1. Additionally, the Deputy Receiver moved that the homeowner of the subject property be joined as a necessary party to the proceeding. By Hearing Examiner Ruling of August 14, 1997, Orin Humphries ("Homeowner") was made a party to this proceeding.

On October 13, 1997, Petitioner filed a Motion For Barring Testimony of Expert Witness and Dismissal of Deputy Receiver From Proceedings and Response to Motion By Deputy Receiver. In this motion, Petitioner claimed, *inter alia*, that page 5 of the HOW insurance/warranty documents required HOW to "arrange for an informal dispute settlement between the homeowner and the builder by a neutral third party." Petitioner further argued that, by seeking to introduce the testimony of an expert witness, HOW was acting contrary to the HOW insurance/warranty documents. After considering the motion and the response filed thereto by the Deputy Receiver on November 6, 1997, the Hearing Examiner denied the Petitioner's motion at the commencement of the December 16, 1997, hearing.

Petitioner filed a Motion for Summary Judgment on November 5, 1997, declaring that items covered in a "Possession Agreement" that were noted during the walk-through prior to the purchase and sale of the home could not properly form the basis for a claim under the present dispute. The Deputy Receiver responded to Petitioner's motion on November 24, 1997, by arguing there were material facts in dispute between the parties, and items noted on a walk-through list in need of repair or correction by the builder would be eligible for Builder's Limited Warranty coverage if they met the requirements set forth in the HOW insurance/warranty documents. Petitioner's motion was denied by Hearing Examiner's Ruling of November 25, 1997.

The telephonic hearing convened on December 16, 1997. Harvey R. Cherewick, President, of Trigny Corporation, appeared pro se. Howard W. Dobbins, Esquire, and Lonnie W. Fugit, Esquire, appeared for the Deputy Receiver.

After reviewing the evidence submitted in the case, the Hearing Examiner made the following findings and recommendations:

(i) There is sufficient evidence in the record to support a finding there is an underlying defect in the flooring of the second floor of the subject home;

(ii) The preponderance of evidence weighs in favor of the Deputy Receiver and the Homeowner that the exterior paint was improperly applied and needs to be touched up;

(iii) There is sufficient credible evidence in the record to find that the Homeowner has a covered builder's limited warranty drywall claim;

(iv) The homeowner's squeaking upstairs floor, exterior paint touch-up, and ripped drywall claims are covered under the HOW insurance/warranty document and are the responsibility of the builder to correct under the builder's limited warranty coverage; and

(v) The Commission should enter an order adopting the findings of his report, affirming the Deputy Receiver's Determination of Appeal, and dismissing Petitioner's Petition for Appeal with prejudice.

Upon consideration of the pleadings, prefiled testimony, transcript of the hearing, the Hearing Examiner's Report and the Comments submitted thereto, the Commission is of the opinion and so finds that the Hearing Examiner's rulings and recommendations should be adopted.

According, IT IS ORDERED THAT:

(1) The Petition of Trigny Corporation for review of the Deputy Receiver's Determination of Appeal be, and it is hereby, DENIED;

(2) The Deputy Receiver's Determination of Appeal issued in Claim No. D1535, on May 7, 1997, be, and it is hereby, AFFIRMED; and

(3) The case is dismissed and the papers herein be passed to the file for ended causes.

CASE NO. INS970201
FEBRUARY 27, 1998

APPLICATION OF
NATIONAL COUNCIL ON COMPENSATION INSURANCE, INC.

For revision of voluntary loss costs and assigned risk workers' compensation insurance rates

FINAL ORDER

THE APPLICATION HEREIN was heard by the Commission on January 14, 1998. The National Council on Compensation Insurance, Inc. (NCCI), the Commission's Bureau of Insurance (BOI), the Office of the Attorney General, Division of Consumer Counsel (OAG), and protestants Washington Construction Employers Association and the Iron Workers Employers Association appeared before the Commission by their counsel.

NOW, ON THIS DAY, having considered the record herein, including the post-hearing submissions of NCCI, Bureau of Insurance, OAG and the protestants, by their counsel, THE COMMISSION is of the opinion, finds and ORDERS:

(1) That the provision of 3.1% proposed by NCCI in its application for Administrative and Other Expense (AOE) in connection with the revision of assigned risk insurance rates be, and it is hereby, disapproved; and, in lieu thereof, the AOE provision of 2.3% underlying the rates presently in effect shall continue to be employed until such time as the Commission receives and considers the pending and long-awaited report of Coopers & Lybrand concerning NCCI's expenses in connection with NCCI's administration of the Virginia Workers' Compensation Insurance Plan and until further order of the Commission;

(2) That the profit and contingency provision of - 3.0% proposed by NCCI in its application be, and it is hereby, disapproved; and, in lieu thereof, as agreed on the record herein by NCCI and BOI, a profit and contingency provision of -7.843% shall be employed;

(3) That the revisions to loss costs, assigned risk insurance rates and expected loss rates (ELRs) for the coal mine classifications proposed by NCCI in its application be, and they are hereby, disapproved; and, in lieu thereof, as agreed on the record herein by NCCI and BOI, the recommendations of BOI with respect thereto shall be employed;

(4) That the offset of 0.75% for the premium credits expected to result from the Virginia Contractors Classifications Premium Adjustment Program ("VCCPAP") shall be continued until further order of the Commission; provided, however, NCCI shall provide relevant data and a sound actuarial analysis for determining such offsets together with its next loss costs and assigned risk applications;

(5) That the requirement in paragraph 15 of the order entered in Case No. INS960191 that the method used to determine loss costs and rates in effect prior to January 1, 1996 (the "old methodology") be included in subsequent applications to the Commission be, and it is hereby, vacated;

(6) That NCCI and any other person participating in future voluntary market loss costs and assigned risk rate applications before the Commission, when proposing methodologies or data sources that are different from the methodologies or data sources upon which current loss costs and/or rates and/or rating values are based, shall be required to disclose the loss cost, or rate or rating values effect of the change using both the methodology it proposes to replace as well as the newly proposed methodology;

(7) That, in accordance with the adjustments ordered herein, NCCI shall revise its loss costs and assigned risk rates as follows: (a) a decrease of 2.1% in industrial class loss costs; (b) an increase of 0.1% in "F" class loss costs; (c) an increase of 31.6% in coal class loss costs; (d) a decrease of 7.6% in industrial class assigned risk rates; (e) a decrease of 16.4% in "F" class assigned risk rates; and (f) an increase of 27.2% in coal class assigned risk rates; and

(8) That, except as herein ordered, the proposed revision to loss costs, rates, minimum premiums, rating values, rules, regulations and procedures for writing workers' compensation insurance in this Commonwealth that have been filed by the applicant NCCI herein on behalf of its members and subscribers shall be, and they are hereby, approved for use with respect to new and renewal business on and after April 1, 1998;

(9) That NCCI, BOI, OAG and the protestants confer and make their best efforts to recommend jointly to the Commission on or before April 15, 1998, a proposed schedule for any 1999 loss costs/rate revision proceeding before the Commission which proposed schedule shall address: (i) the "pre-filing" of discovery requests by BOI, OAG and protestants; (ii) the date on which NCCI proposes to file with the Commission any rate revision application and its direct testimony; (iii) the date on which NCCI proposes to respond to such pre-filed discovery requests; (iv) the dates for the pre-filing of direct testimony of BOI, OAG and any protestants and the rebuttal testimony of NCCI; and (v) the date of any hearing before the Commission.

CASE NO. INS970243
JANUARY 5, 1998

PETITION OF
ROGER AND JOANNE LENKE

For Review of HOW Insurance Company, Home Warranty Corporation and Home Owners Warranty Corporation Deputy Receiver's Determination of Appeal

FINAL ORDER

On June 16, 1997, Roger and Joanne Lenke ("Petitioners") filed a Petition with the State Corporation Commission ("the Commission") contesting the Deputy Receiver's Determination of Appeal in Claim No. D3150, denying the Petitioners' claim for coverage under their homeowners' warranty insurance policy and referring a portion of their claim for further compliance review.

By Order entered herein on August 13, 1997, the Commission docketed the Petition, assigned the case to a Hearing Examiner to conduct further proceedings therein, and directed the Deputy Receiver to file an Answer or other responsive pleading to the Petition on or before September 19, 1997.

On September 18, 1997, the Deputy Receiver filed a Motion to Dismiss and Answer to the Petition for Review, and a Memorandum in Support of Motion to Dismiss Petition for Review. In his pleadings, the Deputy Receiver contends, inter alia, that Petitioners' claims, with respect to the inadequacy of the heating and cooling systems to service their home and the exterior paint discoloration are time-barred by the procedural requirements of the Receivership Appeal Procedure, as established by the Circuit Court of Richmond, and entered on October 14, 1994. Additionally, the Deputy Receiver asserts, inter alia, that the Deputy Receiver's responses to Petitioners' claims have not been inaccurate, illogical or unjustified, and that Petitioners' claim for builder's non-compliance in sink reparation is not ripe for determination by the Commission and should be appealed by the Petitioners to the Deputy Receiver under the Receivership Appeal Procedure.

On September 30 and October 3, 1997, Petitioners filed responses to the Deputy Receiver's Motion to Dismiss, and continued to disagree with the handling of their case and the factual representations made by the Deputy Receiver in the Motion to Dismiss. Specifically, the Petitioners objected to: (i) signing a release in order to have their sink repaired; (ii) notarizing all correspondence submitted to HOW. Petitioners state that the heating and cooling systems do not meet the HOW standard for temperature maintenance, nor the standard established by Indiana Code § 34-4-20.5, which Petitioners believe should apply in this case. Finally, Petitioners state that they met HOW Performance Standard 7-F-1, with respect to their exterior paint claim. Petitioners' responses did not address the issue raised by the Deputy Receiver that their Petition was not timely filed with the Commission pursuant to the Receivership Appeal Procedure.

By Hearing Examiner's Report dated November 19, 1997, the Hearing Examiner made the following findings of fact and recommendations:

(i) Petitioners' heating and cooling systems and exterior paint claims were untimely filed under the Receivership Appeal Procedure, and should be dismissed with prejudice;

(ii) The Deputy Receiver's Determination of Appeal as to the heating and cooling systems and the exterior paint claims should be affirmed;

(iii) Petitioners' appeal of their sink reparation claim with the Deputy Receiver was perfected on June 16, 1997;

(iv) The Deputy Receiver issued no Determination of Appeal on the Petitioners' sink reparation claim;

(v) Since no Determination of Appeal was issued by the Deputy Receiver with respect to Petitioners' appeal of their sink reparation claim, the Receivership Appeal Procedure prohibits an appeal of this claim to the Commission at this time; and

(vi) Petitioners' sink reparation claim to the Commission is premature pursuant to the Receivership Appeal Procedure, should be dismissed without prejudice, and remanded to the Deputy Receiver for further consideration.

Upon consideration of the pleadings, the Hearing Examiner's Report, and the comments filed in response thereto, the Commission is of the opinion and so finds that the Hearing Examiner's findings and recommendations should be adopted.

Accordingly, IT IS ORDERED THAT:

(1) The Deputy Receiver's Motion to Dismiss with prejudice Petitioners' heating and cooling systems and exterior paint claims be, and it is hereby, GRANTED;

(2) The Deputy Receiver's Motion to Dismiss without prejudice Petitioners' sink reparation claim be, and it is hereby, GRANTED;

(3) The Petition of Roger and Joanne Lenke for review of the Deputy Receiver's Determination of Appeal with respect to Petitioners' heating and cooling systems and exterior paint claims be, and it is hereby, DENIED;

(4) The Deputy Receiver's Determination of Appeal in Claim No. D3150 issued on March 11, 1997 be, and it is hereby, AFFIRMED;

(5) The Petitioners' sink reparation claim is remanded to the Deputy Receiver for prompt consideration; and

(6) The papers herein be passed to the file for ended causes.

CASE NO. INS970262
MAY 14, 1998

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
AMERICAN EAGLE INSURANCE COMPANY
Defendant

ORDER TO TAKE NOTICE

WHEREAS, § 38.2-1040 of the Code of Virginia provides, inter alia, that the Commission may suspend or revoke the license of any insurance company to transact the business of insurance in the Commonwealth of Virginia whenever the Commission finds that the company is insolvent, or is in a condition that any further transaction of business in this Commonwealth is hazardous to its policyholders, creditors, and public in this Commonwealth;

WHEREAS, for reasons stated in an order entered herein October 23, 1997, the Commission suspended the license of American Eagle Insurance Company, a foreign corporation domiciled in the state of Texas, and licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia ("Defendant");

WHEREAS, by order entered in the District Court of Travis County, Texas on December 22, 1997, in Case No. 97-13405, Defendant was declared to be insolvent and in a hazardous financial condition, and the Commissioner of Insurance of the State of Texas was appointed as Permanent Receiver for Defendant and directed to take possession and control of the affairs and assets of Defendant; and

WHEREAS, the Bureau of Insurance has recommended that Defendant's license to transact the business of insurance in the Commonwealth of Virginia be revoked;

THEREFORE, IT IS ORDERED that Defendant TAKE NOTICE that the Commission shall enter an order subsequent to May 26, 1998, revoking the license of Defendant to transact the business of insurance in the Commonwealth of Virginia unless on or before May 26, 1998, Defendant files with the Clerk of the Commission, Document Control Center, P.O. Box 2118, Richmond, Virginia 23218, a request for a hearing before the Commission with respect to the proposed revocation of Defendant's license.

CASE NO. INS970262
JUNE 2, 1998

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
AMERICAN EAGLE INSURANCE COMPANY,
Defendant

ORDER REVOKING LICENSE

WHEREAS, for the reasons stated in an order entered herein May 14, 1998, Defendant was ordered to take notice that the Commission would enter an order subsequent to May 26, 1998, revoking the license of the Defendant to transact the business of insurance in the Commonwealth of Virginia unless on or before May 26, 1998, Defendant filed with the Clerk of the Commission a request for a hearing before the Commission to contest the proposed revocation of Defendant's license; and

WHEREAS, Defendant failed to file a request to be heard before the Commission with respect to the proposed revocation of Defendant's license;

THEREFORE, IT IS ORDERED THAT:

(1) Pursuant to § 38.2-1040 of the Code of Virginia, the license of Defendant to transact the business of insurance in the Commonwealth of Virginia be, and it is hereby, REVOKED;

(2) Defendant shall issue no new contracts or policies of insurance in the Commonwealth of Virginia;

(3) The appointments of Defendant's agents to act on behalf of Defendant in the Commonwealth of Virginia be, and they are hereby, REVOKED;

(4) The Bureau of Insurance shall cause an attested copy of this order to be sent to each of Defendant's agents appointed to act on behalf of Defendant in the Commonwealth of Virginia as notice of the revocation of such agent's appointment; and

(5) The Bureau of Insurance shall cause notice of the revocation of Defendant's license to be published in the manner set forth in § 38.2-1043 of the Code of Virginia.

CASE NO. INS970292
FEBRUARY 5, 1998

PETITION OF
PATRICIA KRAUSE

For review of HOW Insurance Company, Home Warranty Corporation and Home Owners Warranty Corporation Deputy Receiver's Determination of Appeal

ORDER

On September 26, 1997, Patricia Krause ("Petitioner") filed a Petition for Review ("Petition") with the State Corporation Commission ("Commission") contesting the Deputy Receiver's Determination of Appeal in Claim No. 4044554, denying the Petitioner's claim for coverage under her homeowners warranty insurance policy. By Commission Order entered herein on October 14, 1997, the case was assigned to a Hearing Examiner to conduct further proceedings for the purpose of taking evidence and making recommendations to the Commission for the determination of this Petition. Pursuant to that Order, the Deputy Receiver was required to file an Answer or other responsive pleading to the Petition by November 14, 1997.

On November 14, 1997, the Deputy Receiver filed a Motion to Dismiss and Answer to the Petition, and a Memorandum in Support of the Motion to Dismiss. In his Motion to Dismiss, the Deputy Receiver contends inter alia, that: (1) the Petition was not timely filed with the Commission according to the requirements set forth in the Receivership Appeal Procedure; (2) the Petitioner's claim is time-barred; (3) the steps taken by the Builder to make repairs do not extend the Builder's Limited Warranty coverage term; and (4) the defects alleged by the Petitioner do not constitute major structural defects.

By Hearing Examiner's Ruling dated November 17, 1997, the Petitioner was given until December 3, 1997 to file a response to the Deputy Receiver's Motion to Dismiss. Petitioner failed to file any response.

In this matter, the Deputy Receiver's Determination of Appeal was issued on November 13, 1996. Petitioner filed her Petition with the Commission on September 26, 1997, or 317 days after the Determination of Appeal. Under Sections C.1 and C.2 of the Receivership Appeal Procedure, parties appealing the Deputy Receiver's Determination of Appeal must file their appeal with the Commission within thirty (30) days from the date of the Deputy Receiver's decision. Additionally, Section C.5 of the Receivership Appeal Procedure provides that "[f]ailure to file your Petition as required under this Receivership Appeal Procedure waives any further right you have to appeal and the Deputy Receiver's determination of your appeal becomes final."

After considering the evidence submitted in the case, the Hearing Examiner made the following findings of fact and recommendations:

(i) The Deputy Receiver's Determination of Appeal was issued on November 13, 1996;

(ii) The Petition was filed with the Commission on September 26, 1997, or 317 days after the Deputy Receiver's Determination of Appeal;

(iii) Counsel for the Petitioner failed to provide any response or explanation for Petitioner's failure to file her appeal within the required thirty (30) days;

(iv) The Deputy Receiver's Motion to Dismiss should be granted; and

(v) The Commission should enter an order dismissing the Petition of Patricia Krause and affirming the Deputy Receiver's Determination of Appeal issued on November 13, 1996.

Upon consideration of the pleadings and the Hearing Examiner's Report, the Commission is of the opinion and so finds that the Hearing Examiner's findings and recommendations should be adopted.

Accordingly, IT IS ORDERED that:

(1) The Deputy Receiver's Motion to Dismiss Petitioner's Petition for Review as filed untimely, be and it is hereby, GRANTED;

(2) The Petition of Patricia Krause for review of the Deputy Receiver's Determination of Appeal, be and it is hereby, DENIED;

(3) The Deputy Receiver's Determination of Appeal issued in Claim No. 4044554, on November 13, 1996, be and it is hereby, AFFIRMED; and

(4) The case is dismissed and the papers herein be passed to the file for ended causes.

CASE NO. INS970298
MAY 5, 1998

PETITION OF
FREDERICK AND MEI FONG SMITH

For review of HOW Insurance Company, Home Warranty Corporation and Home Owners Warranty Corporation Deputy Receiver's Determination of Appeal

ORDER

On October 14, 1994, the Circuit Court of the City of Richmond, Virginia, entered an order appointing the Virginia State Corporation Commission ("Commission") the Receiver of HOW Insurance Company, Home Warranty Corporation and Home Owners Warranty Corporation ("HOW Companies"). The receivership order granted the Commission authority to proceed with the rehabilitation or liquidation of the HOW Companies and established a "Receivership Appeal Procedure" to govern any appeals or challenges to any decisions rendered by the Receiver or the Receiver's duly authorized representatives.

On October 8, 1997, Frederick and Mei Fong Smith ("Petitioners") filed a Petition for Review ("Petition") with the Commission contesting the Deputy Receiver's Determination of Appeal in Claim No. 4081896, denying Petitioners' claims for coverage under their homeowners warranty insurance policy regarding problems associated with their home at 446 Traubel Drive, Fairview Heights, Illinois.

By Order dated October 14, 1997, the Commission assigned this case to a Hearing Examiner to conduct further proceedings for the purpose of taking evidence and making recommendations to the Commission for the determination of this Petition for Review. Pursuant to this Order and Hearing Examiner's Ruling of December 2, 1997, the Hearing Examiner established a procedural schedule and calendared a telephonic hearing for March 3, 1998, to receive evidence on the Petition.

The telephonic hearing convened on March 3, 1998. Mr. Frederick Smith appeared pro se for the Petitioners. William R. Mauck, Jr., Esquire and Lonnie W. Fugit, Esquire, appeared for the Deputy Receiver. Petitioners contend, inter alia, that the following problems with their home: (i) improperly installed exhaust system for the kitchen stove; (ii) weak and shaky flooring; (iii) flooring in the master bedroom pulling away from the foundation; (iv) strong odors from the septic tank system; and (v) poor workmanship and other warranty questions concerning vinyl siding installed during 1996, are defects requiring repair under HOW Insurance/Warranty coverage.

The Deputy Receiver contends, inter alia, that: (i) the defects raised by Petitioners are covered only during the HOW Program Builder's Limited Warranty; (ii) the only HOW coverage available to Petitioners relates to specifically defined major structural defects; (iii) Petitioners' claims are time-barred under the HOW Program Builder's Limited Warranty period; and (iv) Petitioners' claims are not major structural defects as defined in the HOW Insurance/Warranty documents.

After reviewing the evidence submitted in the case, the Hearing Examiner made the following findings and recommendations:

(i) The HOW Insurance/Warranty limits the HOW Program Builder's Limited Warranty period to one year for defects due to noncompliance with the performance standards listed in the HOW Insurance/Warranty documents, and the HOW Program Builder's Limited Warranty provides an additional year of coverage for specifically designated systems;

(ii) All coverage under the Builder's Limited Warranty for Petitioners' home expired October 23, 1994;

(iii) Petitioners filed their claim for HOW coverage in 1996;

(iv) The Deputy Receiver correctly denied Petitioner's claim for coverage under the Builder's Limited Warranty;

(v) When the Petitioners purchased their home, the only HOW coverage still in effect related solely to major structural defects;

(vi) The record in this case does not support Petitioners' claim that the defects found in their home are major structural defects as defined by the HOW Insurance/Warranty; and

(vii) The Commission should enter an order adopting his findings, affirming the Deputy Receiver's denial of Claim No. 4081896, and dismissing this case from its docket of active matters.

Upon consideration of the pleadings, prefiled testimony, transcript of the hearing, and the Hearing Examiner's Report, the Commission is of the opinion and so finds that the Hearing Examiner's findings and recommendations should be adopted. Accordingly,

IT IS ORDERED THAT:

(1) The Petition of Frederick and Mei Fong Smith for review of the Deputy Receiver's Determination of Appeal be, and it is hereby, DENIED;

(2) The Deputy Receiver's Determination of Appeal issued in Claim No. 4081896, issued on November 27, 1996, be, and it is hereby, AFFIRMED; and

(3) The case is dismissed and the papers herein passed to the files for ended causes.

CASE NO. INS970299
SEPTEMBER 15, 1998

PETITION OF
MARINO BROTHERS HOMEBUILDERS, INC.

For a review of HOW Insurance Company Home Warranty Corporation and Home Owners Warranty Corporation Deputy Receiver's Determination of Appeal

ORDER

On October 14, 1994, the Circuit Court of the City of Richmond, Virginia, entered an order appointing the State Corporation Commission ("Commission") the Receiver of the HOW Insurance Company, Home Warranty Corporation and Home Owners Warranty Corporation ("HOW Companies" or "HOW"). The receivership order granted the Commission authority to proceed with the rehabilitation or liquidation of the HOW Companies and established a "Receivership Appeal Procedure" ("RAP") to govern any appeals or challenges to any decisions rendered by the Receiver or the Receiver's duly appointed representatives.

On June 3, 1996, Marino Homebuilders, Inc. ("Petitioner" or "Builder") filed a Petition for Review ("Petition") contesting the Deputy Receiver's Determination of Appeal in Claim No. 4260955. The Determination of Appeal issued on May 1, 1996, found the Petitioner responsible for correcting a Major Structural Defect ("MSD") in the form of deflection in the second floor-subfloor of a home constructed by the Builder at 6230 Regina Lane, Beaumont, Texas.

By Order dated October 14, 1997, the Commission docketed the Petition, and assigned the case to a Hearing Examiner to conduct further proceedings for the purposes of taking evidence and making recommendations to the Commission for the determination of this Petition. Additionally, the Order directed the Deputy Receiver to file an Answer or other responsive pleading to the Petition on or before November 28, 1997.

On November 25, 1997, the Deputy Receiver filed an Answer to the Petition wherein the Deputy Receiver: (i) denied the Petitioner's allegations of bad faith; (ii) asserted the existence of a major structural defect; (iii) maintained that repairs recommended by an independent engineer hired by HOW were practical; and (iv) argued that the Petitioner was responsible for repairing the excessive flexing of the second-floor subflooring. The Deputy Receiver further requested that Roger and Audrey Conant ("Homeowners" or "Conants") be joined as a necessary party to the proceeding.

Pursuant to Hearing Examiner's Ruling of December 8, 1997, the Conants were joined as a necessary party to the proceeding, a telephonic hearing was scheduled for April 28, 1998, and a procedural schedule was established for the filing of prefiled testimony and exhibits.

On March 12, 1998, the Deputy Receiver filed its direct testimony and a Motion for Summary Judgment, contending, inter alia, that the Petitioner had failed to file direct testimony and that no facts were in dispute. By Hearing Examiner's Ruling of March 17, 1998, the Deputy Receiver's Motion for Summary Judgment was denied on a finding that the Petition contained material facts that continued to be genuinely in dispute.

On the appointed day of the hearing, the Petitioner, Marino Brothers Homebuilders, Inc., by its president, Victor J. Marino, appeared pro se. The Homeowners appeared pro se. William R. Mauck, Esquire, and Lonnie W. Fugit, Esquire, appeared as counsel for the Deputy Receiver.

After reviewing the testimony and evidence presented in the case, the Hearing Examiner made the following findings of fact and recommendations:

(i) During the first year of coverage under the HOW Program Builder's Limited Warranty, the builder warrants that the covered home will be free of defects due to noncompliance with HOW's Performance Standards;

(ii) The second-floor framing system of the Conants' home fails to meet the required HOW Performance Standard and the applicable local building code;

(iii) Repairs recommended by Donald E. Lenert, a professional engineer, to correct the second-floor framing system of the Conant's home should be undertaken[1];

(iv) The Petitioner and the Conants should be free to work out an acceptable method of repair (i.e. replacing the twenty-seven (27) foot span with a twenty-three (23) foot span);

(v) The Conants' choice of either of Mr. Lenert's alternatives should be established as a default repair method[2];

(vi) The default method of repair should be used if the Petitioner and the Conants are unable to agree upon a method of repair within thirty (30) days of the Commission's order in this case; and

(vii) That the Commission should enter an order adopting his findings, affirming the Deputy Receiver's Determination of Appeal of Claim No. 4260955, holding the Petitioner responsible for repairing the second-floor framing system of the Conant's home, and dismissing this case from the docket of active matters.

Upon consideration of the pleadings, prefiled testimony, transcript of the hearing, and the Hearing Examiner's Report, the Commission is of the opinion that the Hearing Examiner's findings of fact and recommendations should be adopted.

[1] Report of Alexander F. Skirpan, Jr., Hearing Examiner at 4-5. (August 3, 1998) ("Hearing Examiner's Report")

[2] Hearing Examiner's Report at 5.

Accordingly, IT IS ORDERED THAT:

(1) The Petition of Marino Homebuilders, Inc. for review of the Deputy Receiver's Determination of Appeal, be and it is hereby, DENIED;

(2) The Deputy Receiver's Determination of Appeal issued in Claim No. 4260955, on May 1, 1996, be and it is hereby, AFFIRMED;

(3) The Petitioner shall repair the second-floor framing system of the Homeowner's home as recommended by the Hearing Examiner's Report of August 3, 1998[3]; and

(4) The case is dismissed and the papers herein are placed in the file for ended causes.

[3] Consequently, I find that the repairs recommended by Mr. Lenert should be undertaken. This includes the splicing of a 2" X 12" X 18' member to each existing double 2" X 12" floor joist at mid-span, and replacing the twenty-seven (27) foot span with a twenty-three (23) foot span. Moreover, Mr. Lenert offered two alternative methods for replacing the twenty-seven (27) foot span. In his report, Mr. Lenert provided the following repair recommendation: The twenty-seven (27) foot span should be cut to twenty-three (23) feet and new 2" X 12" beams (#1KDSP) added as required. Use 3-2" X 12" from the closet to the south wall of the kitchen and 2-2" X 12" with a ½" X 11" steel flitch plate from the south wall to the north wall of the kitchen. The contractor must verify that sufficient studs are present in the walls below the new beams. A new footing may need to be added below the beams on the south wall of the kitchen. During the hearing, Mr. Lenert offered an alternative method for reducing the twenty-seven (27) foot span to twenty-three (23) feet by adding extra truss joists and a new beam. Thus, there appear to be a number of methods for replacing the twenty-seven (27) foot span with a twenty-three (23) foot span. Therefore, the Petitioner and Conants should be free to work out an acceptable method for replacing the twenty-seven (27) foot span. However, in light of the fact that the Petitioner and Conants have attempted and failed to agree to a method of repair in the past, the Conants' choice of either of Mr. Lenert's alternatives should be established as the default repair method. This default method of repair should be used if the Petitioner and the Conants are unable to agree upon a method of repair within thirty (30) days of the Commission's final order in this case. (Hearing Examiner's Report at 4-5)

CASE NO. INS970315
JANUARY 30, 1998

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
ERIE INSURANCE EXCHANGE
and
ERIE INSURANCE COMPANY,
Defendants

SETTLEMENT ORDER

IT APPEARING from a market conduct examination performed by the Bureau of Insurance that Defendants, duly licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia, in certain instances, violated the Code of Virginia to wit: Erie Insurance Exchange violated §§ 38.2-228, 38.2-231, 38.2-304, 38.2-305 B, 38.2-317, 38.2-510 A 6, 38.2-510 A 10, 38.2-1904, 38.2-1906 B, 38.2-2014, 38.2-2114, 38.2-2202, 38.2-2206, 38.2-2212 and 38.2-2224 of the Code of Virginia, as well as 14 VAC 5-400-30, 14 VAC 5-400-50 D, 14 VAC 5-400-70 A, 14 VAC 5-400-70 D and 14 VAC 5-400-80 D; and Erie Insurance Company violated §§ 38.2-305 A, 38.2-510 A 6, 38.2-510 A 10, 38.2-510 C, 38.2-608 D, 38.2-1906 B, 38.2-2014, 38.2-2208, 38.2-2212, 38.2-2214 and 38.2-2220 of the Code of Virginia, as well as 14 VAC 5-390-40 D, 14 VAC 5-400-30, 14 VAC 5-400-50 D, 14 VAC 5-400-70 A, 14 VAC 5-400-70 D and 14 VAC 5-400-80 D;

IT FURTHER APPEARING that the Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1040 of the Code of Virginia to impose certain monetary penalties, issue cease and desist orders and to suspend or revoke Defendants' licenses upon a finding by the Commission, after notice and opportunity to be heard, that Defendants have committed the aforesaid alleged violations;

IT FURTHER APPEARING that Defendants have been advised of their right to a hearing in this matter, whereupon Defendants, without admitting any violation of Virginia law, have made an offer of settlement to the Commission wherein Defendants have tendered to the Commonwealth of Virginia the sum of twenty-five thousand dollars ($25,000), have waived their right to a hearing, and have agreed to the entry by the Commission of a cease and desist order; and

IT FURTHER APPEARING that the Bureau of Insurance has recommended that the Commission accept the offer of settlement of Defendants pursuant to the authority granted the Commission in § 12.1-15 of the Code of Virginia.

IT IS ORDERED THAT:

(1) The offer of Defendants in settlement of the matter set forth herein be, and it is hereby, accepted;

(2) Erie Insurance Exchange cease and desist from any conduct which constitutes a violation of §§ 38.2-228, 38.2-231, 38.2-304, 38.2-305 B, 38.2-317, 38.2-510 A 6, 38.2-510 A 10, 38.2-1904, 38.2-1906 B, 38.2-2014, 38.2-2114, 38.2-2202, 38.2-2206, 38.2-2212 and 38.2-2224 of the Code of Virginia, as well as 14 VAC 5-400-30, 14 VAC 5-400-50 D, 14 VAC 5-400-70 A, 14 VAC 5-400-70 D and 14 VAC 5-400-80 D;

(3) Erie Insurance Company cease and desist from any conduct which constitutes a violation of §§ 38.2-305 A, 38.2-510 A 6, 38.2-510 A 10, 38.2-510 C, 38.2-608 D, 38.2-1906 B, 38.2-2014, 38.2-2208, 38.2-2212, 38.2-2214 and 38.2-2220 of the Code of Virginia, as well as 14 VAC 5-390-40 D, 14 VAC 5-400-30, 14 VAC 5-400-50 D, 14 VAC 5-400-70 A, 14 VAC 5-400-70 D and 14 VAC 5-400-80 D; and

(4) The papers herein be placed in the file for ended causes.

CASE NO. INS970316
NOVEMBER 13, 1998

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
SOUTHERN INSURANCE COMPANY OF VIRGINIA,
Defendant

SETTLEMENT ORDER

IT APPEARING from a market conduct examination performed by the Bureau of Insurance that Defendant, duly licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia, in certain instances, violated §§ 38.2-231, 38.2-304, 38.2-510 A 10, 38.2-610, 38.2-1904, 38.2-1905, 38.2-1906, 38.2-2014, 38.2-2113, 38.2-2114, 38.2-2202, 38.2-2208, 38.2-2212, 38.2-2220 and 38.2-2223 of the Code of Virginia, as well as 14 VAC 5-390-40 D and 14 VAC 5-400-40;

IT FURTHER APPEARING that the Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1040 of the Code of Virginia to impose certain monetary penalties, issue cease and desist orders and to suspend or revoke Defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that Defendant has committed the aforesaid alleged violations;

IT FURTHER APPEARING that Defendant has been advised of its right to a hearing in this matter, whereupon Defendant, without admitting any violation of Virginia law, has made an offer of settlement to the Commission wherein Defendant has tendered to the Commonwealth of Virginia the sum of seventeen thousand dollars ($17,000), has waived its right to a hearing, and has agreed to the entry by the Commission of a cease and desist order; and

IT FURTHER APPEARING that the Bureau of Insurance has recommended that the Commission accept the offer of settlement of Defendant pursuant to the authority granted the Commission in § 12.1-15 of the Code of Virginia,

IT IS ORDERED THAT:

(1) The offer of Defendant in settlement of the matter set forth herein be, and it is hereby, accepted;

(2) Defendant cease and desist from any conduct which constitutes a violation of §§ 38.2-231, 38.2-304, 38.2-510 A 10, 38.2-610, 38.2-1904, 38.2-1905, 38.2-1906, 38.2-2014, 38.2-2113, 38.2-2114, 38.2-2202, 38.2-2208, 38.2-2212, 38.2-2220 and 38.2-2223 of the Code of Virginia, as well as 14 VAC 5-390-40 D and 14 VAC 5-400-40; and

(3) The papers herein be placed in the file for ended causes.

CASE NO. INS970317
MARCH 2, 1998

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
ST. PAUL FIRE & MARINE INSURANCE COMPANY,
Defendant

SETTLEMENT ORDER

IT APPEARING from a market conduct examination performed by the Bureau of Insurance that Defendant, duly licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia, in certain instances, violated §§ 38.2-231, 38.2-304, 38.2-317, 38.2-511, 38.2-1318, 38.2-1822, 38.2-1904, 38.2-1906, 38.2-2014, 38.2-2202, 38.2-2206, 38.2-2220, and 38.2-2223 of the Code of Virginia;

IT FURTHER APPEARING that the Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1040 of the Code of Virginia to impose certain monetary penalties, issue cease and desist orders and to suspend or revoke Defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that Defendant has committed the aforesaid alleged violations;

IT FURTHER APPEARING that Defendant has been advised of its right to a hearing in this matter, whereupon Defendant, without admitting any violation of Virginia law, has made an offer of settlement to the Commission wherein Defendant has tendered to the Commonwealth of Virginia the sum of twenty-four thousand dollars ($24,000), has waived its right to a hearing, and has agreed to the entry by the Commission of a cease and desist order; and

IT FURTHER APPEARING that the Bureau of Insurance has recommended that the Commission accept the offer of settlement of Defendant pursuant to the authority granted the Commission in § 12.1-15 of the Code of Virginia.

IT IS ORDERED THAT:

(1) The offer of Defendant in settlement of the matter set forth herein be, and it is hereby, accepted;

(2) Defendant cease and desist from any conduct which constitutes a violation of §§ 38.2-231, 38.2-304, 38.2-317, 38.2-511, 38.2-1318, 38.2-1822, 38.2-1904, 38.2-1906, 38.2-2014, 38.2-2202, 38.2-2206, 38.2-2220 and 38.2-2223 of the Code of Virginia; and

(3) The papers herein be placed in the file for ended causes.

CASE NO. INS970343
MARCH 31, 1998

PETITION OF
LOUISA YOUNG DENSON

For review of HOW Insurance Company, Home Warranty Corporation and Home Owners Warranty Corporation Deputy Receiver's Determination of Appeal

ORDER

On October 14, 1994, the Circuit Court of the City of Richmond, Virginia entered an order appointing the State Corporation Commission ("Commission") as Receiver of HOW Insurance Company, Home Warranty Corporation, and Home Owners Warranty Corporation ("HOW Companies" or "HOW"). The receivership order granted the Commission authority to proceed with rehabilitation or liquidation of the HOW Companies and established a "Receivership Appeal Procedure" to govern any appeals or challenges to decisions rendered by the Receiver or the Receiver's duly authorized representatives.

On October 22, 1997, Louisa Young Denson ("Petitioner") filed a Petition for Review with the Commission contesting the Deputy Receiver's Determination of Appeal in Claim No. 2917686, awarding Petitioner a liquidated claim in the amount of $2,850, and simultaneously imposing a fifty percent (50%) payment restriction on that amount as presently required under the receivership proceedings. Petitioner contends that $1,425 is insufficient to make the necessary repairs to her home. By order dated December 3, 1997, this case was assigned to a Hearing Examiner to conduct further proceedings for the purposes of taking evidence and making recommendations to the Commission for the determination of this Petition for Review. Pursuant to that order, the Hearing Examiner directed the Deputy Receiver to file an Answer or other responsive pleading to the Petition for Review on or before January 16, 1998.

On January 16, 1998, the Deputy Receiver filed an Answer and Motion for Summary Judgment. In its Motion for Summary Judgment, the Deputy Receiver contends, inter alia, that: (i) Petitioner was granted a total liquidated claim in the amount of $2,850, payable at fifty percent (50%) or $1,425; (ii) Petitioner maintains that $1,425 is insufficient to make the necessary repairs; and (iii) Due to the hazardous financial condition of the HOW companies, full payment of valid claims would create an unlawful preference at the expense of other homeowners and creditors with valid claims.

By Hearing Examiner's Ruling issued January 20, 1998, Petitioner was given until February 9, 1998, to file a response to the Deputy Receiver's Motion for Summary Judgment. Petitioner filed no response.

After reviewing the filings submitted herein and the laws of the Commonwealth of Virginia, the Hearing Examiner made the following findings:

(i) The Code of Virginia empowers the Commission to grant summary judgment under appropriate circumstances whenever the Commission is authorized to act as a Receiver to rehabilitate or liquidate an insurer;[1]

(ii) The Virginia Supreme Court affirmed the Commission's authority to grant summary judgment on the basis of pleadings and prefiled testimony;[2]

(iii) The only issue raised by the Petitioner is whether she is entitled to full recovery of the liquidated claim as determined by the Deputy Receiver;

(iv) The Commission, as Receiver for the HOW Companies, has a legal duty to protect the interest of all claimants similarly situated, and has limited payments to all policyholders under the receivership proceedings to fifty percent (50%) of the established reasonable cost of repairing defects within the HOW coverage;

(v) Full payment of valid claims at a time when the HOW companies are only able to pay fifty percent (50%) of direct claims would create an unlawful preference at the expense of other policyholders with valid claims;

(vi) The Deputy Receiver's Motion for Summary Judgment should be granted;

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[1] Section 38.2-1508 of the Code of Virginia (Michie 1994 Repl. Vol.)

[2] Blue Cross of Virginia v. Commonwealth of Virginia, 221 Va. 349 (1980).

(vii) The Commission should enter an order adopting his findings, affirming the Deputy Receiver's Determination of Appeal and dismissing this case from the docket of active matters.

Accordingly, IT IS ORDERED THAT:

(1) The Deputy Receiver's Motion for Summary Judgment be, and it is hereby, GRANTED;

(2) The Petition of Louisa Young Denson for review of the Deputy Receiver's Determination of Appeal in Claim No. 2917686 be, and it is hereby, DENIED;

(3) The Deputy Receiver's Determination of Appeal issued in Claim No. 2917686 on September 22, 1997, be, and it is hereby, AFFIRMED; and

(4) The case is dismissed and the papers herein be passed to the file for ended causes.

CASE NO. INS970346
JANUARY 26, 1998

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
DONALD F. MILLER,
Defendant

ORDER REVOKING LICENSE

IT APPEARING from an investigation by the Bureau of Insurance that Defendant, duly licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia as an insurance agent, in certain instances, violated §§ 38.2-502 and 38.2-1813 of the Code of Virginia by misrepresenting the benefits, advantages, conditions or terms of a certain insurance policy and by failing to account for and pay in the ordinary course of business premiums collected on behalf of a certain insurer;

IT FURTHER APPEARING that the Commission is authorized by §§ 38.2-218, 38.2-219 and 38.2-1831 of the Code of Virginia to impose certain monetary penalties, issue cease and desist orders and to suspend or revoke Defendant's license upon a finding by the Commission, after notice and hearing, that Defendant has committed the aforesaid alleged violations;

IT FURTHER APPEARING that Defendant has been notified of Defendant's right to a hearing before the Commission in this matter by two certified letters dated October 27, 1997 and November 21, 1997, respectively, and mailed to the Defendant's address shown in the records of the Bureau of Insurance;

IT FURTHER APPEARING that Defendant, having been advised in the aforesaid manner of his right to a hearing in this matter, has failed to request a hearing and has not otherwise communicated with the Bureau of Insurance;

IT FURTHER APPEARING that the Bureau of Insurance, upon Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking all of Defendant's licenses to transact the business of insurance in the Commonwealth of Virginia as an insurance agent; and

THE COMMISSION is of the opinion and finds that Defendant has violated §§ 38.2-502 and 38.2-1813 of the Code of Virginia by misrepresenting the benefits, advantages, conditions or terms of a certain insurance policy and by failing to account for and pay in the ordinary course of business premiums collected on behalf of a certain insurer;

THEREFORE, IT IS ORDERED THAT:

(1) The licenses of Defendant to transact the business of insurance as an agent in the Commonwealth of Virginia be, and they are hereby, revoked;

(2) All appointments issued under said licenses be, and they are hereby, void;

(3) Defendant transact no further business in the Commonwealth of Virginia as an insurance agent;

(4) Defendant shall not apply to the Commission to be licensed as an insurance agent in the Commonwealth of Virginia prior to two (2) years from the date of this order;

(5) The Bureau of Insurance cause a copy of this order to be sent to every insurance company for which Defendant holds an appointment to act as an insurance agent in the Commonwealth of Virginia; and

(6) The papers herein be placed in the file for ended causes.

CASE NO. INS970354
FEBRUARY 19, 1998

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
NATIONS TITLE INSURANCE COMPANY OF NEW YORK, INC.,
Defendant

ORDER TO TAKE NOTICE

WHEREAS, § 38.2-1040 of the Code of Virginia provides, inter alia, that the Commission may suspend or revoke the license of any insurance company to transact the business of insurance in the Commonwealth of Virginia whenever the Commission finds that the company is insolvent, or is in a condition that any further transaction of business in this Commonwealth is hazardous to its policyholders, creditors, and public in this Commonwealth;

WHEREAS, by order entered herein December 19, 1997, Defendant was ordered to eliminate the impairment in its surplus and restore the same to at least $3,000,000 and advise the Commission of the accomplishment thereof by affidavit of Defendant's president or other authorized officer on or before February 17, 1998; and

WHEREAS, as of the date of this order, Defendant has failed to eliminate the impairment in its surplus;

THEREFORE, IT IS ORDERED that Defendant TAKE NOTICE that the Commission shall enter an order subsequent to March 4, 1998, suspending the license of Defendant to transact the business of insurance in the Commonwealth of Virginia unless on or before March 4, 1998, Defendant files with the Clerk of the Commission, Document Control Center, P.O. Box 2118, Richmond, Virginia 23218, a request for a hearing before the Commission with respect to the proposed suspension of Defendant's license.

CASE NO. INS970354
MARCH 9, 1998

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
NATIONS TITLE INSURANCE COMPANY OF NEW YORK, INC.,
Defendant

ORDER SUSPENDING LICENSE

WHEREAS, for the reasons stated in an order entered herein February 19, 1998, Defendant was ordered to take notice that the Commission would enter an order subsequent to March 4, 1998, suspending the license of Defendant to transact the business of insurance in the Commonwealth of Virginia unless on or before March 4, 1998, Defendant filed with the Clerk of the Commission a request for a hearing before the Commission to contest the proposed suspension of Defendant's license; and

WHEREAS, as of the date of this Order, Defendant has not filed a request to be heard before the Commission with respect to the proposed suspension of Defendant's license;

THEREFORE, IT IS ORDERED THAT:

(1) Pursuant to § 38.2-1040 of the Code of Virginia, the license of Defendant to transact the business of insurance in the Commonwealth of Virginia be, and it is hereby, SUSPENDED;

(2) The appointments of Defendant's agents to act on behalf of Defendant in the Commonwealth of Virginia be, and they are hereby, SUSPENDED;

(3) Defendant shall issue no new contracts or policies of insurance in the Commonwealth of Virginia;

(4) Defendant's agents shall transact no new insurance business on behalf of Defendant in the Commonwealth of Virginia;

(5) The Bureau of Insurance shall cause an attested copy of this Order to be sent to each of Defendant's agents appointed to act on behalf of Defendant in the Commonwealth of Virginia as notice of the suspension of such agent's appointment; and

(6) The Bureau of Insurance cause notice of the suspension of Defendant's license to be published in the manner set forth in § 38.2-1043 of the Code of Virginia.

CASE NO. INS970355
MARCH 31, 1998

PETITION OF
JIMMIE LEE WILLIAMS

For review of How Insurance Company Warranty Corporation and Home Owners Warranty Corporation Deputy Receiver's Determination of Appeal

ORDER

On October 14, 1994, the Circuit Court of the City of Richmond, Virginia entered an order appointing the State Corporation Commission ("Commission") the Receiver of HOW Insurance Company, Home Warranty Corporation and Home Owners Warranty Corporation ("How Companies" or "HOW"). The receivership order granted the Commission authority to proceed with the rehabilitation or liquidation of the HOW Companies and established a "Receivership Appeal Procedure" to govern any appeals or challenges to any decisions rendered by the Receiver or the Receiver's duly authorized representatives.

On December 1, 1997, Jimmie Lee Williams, ("Petitioner") filed a Petition for Review ("Petition") with the Commission contesting the Deputy Receiver's Determination of Appeal in Claim No. 1587749, denying Petitioner's claim for coverage under his HOW insurance/warranty policy. The Deputy Receiver denied the claim based upon its finding that the insurance/warranty coverage on the home expired on January 16, 1995, and the claim for warranty performance was received by HOW well after the expiration of any coverage under the policy.

By order dated December 15, 1997, the Commission assigned this case to a Hearing Examiner to conduct further proceedings for the purposes of taking evidence and making recommendations to the Commission for the determination of this Petition. Additionally, this order directed the Deputy Receiver to file an Answer or other responsive pleading to the Petition on or before January 23, 1998.

On January 22, 1998, the Deputy Receiver filed a Motion to Dismiss and Answer to the Petition for Review, and a Memorandum in Support of the Motion to Dismiss Petition for Review. In its Motion to Dismiss, the Deputy Receiver contends, inter alia, that: (i) Petitioner's home was enrolled in the HOW Program on January 16, 1985, and coverage expired on February 15, 1995; (ii) Petitioner filed his claim with the HOW Companies on August 22, 1997; and (iii) Petitioner claim was filed untimely.

By Hearing Examiner's Ruling of January 30, 1998, Petitioner was afforded an opportunity to file a response to the Deputy Receiver's Motion to Dismiss on or before February 17, 1998. Petitioner filed no response.

After reviewing the filings presented in the case, the Hearing Examiner made the following findings and recommendations:

(i) The language of the HOW Insurance/Warranty documents governs whether or not the Motion to Dismiss should be granted;

(ii) Sections VIII(B) and VII of the HOW Insurance/Warranty documents set forth the applicable coverage terms;

(iii) Petitioner's home was enrolled in the HOW Program on January 16, 1985, and Petitioner had until February 15, 1995, to file a claim for major structural defect coverage;

(iv) Petitioner filed his claim for major structural defect coverage on August 22, 1997, some thirty months after the expiration of all coverage under the HOW insurance/warranty program;

(v) Petitioner's major structural defect claim was filed untimely with the HOW Companies pursuant to the HOW Insurance/Warranty documents; and

(vi) The Commission should enter an order affirming the Deputy Receiver's Determination of Appeal and dismissing Mr. Williams' Petition for Review with prejudice.

Accordingly, IT IS ORDERED that:

(1) The Deputy Receiver's Motion to Dismiss be, and it is hereby, GRANTED;

(2) The Petition of Jimmie Lee Williams for review of the Deputy Receiver's Determination of Appeal, be and it is hereby, DENIED;

(3) The Deputy Receiver's Determination of Appeal issued in Claim No. 1587749 be, and it is hereby, AFFIRMED ; and

(4) The case is dismissed and the papers herein be passed to the file for ended causes.

CASE NO. INS970358
JANUARY 6, 1998

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
BILLIE J. BUCHANAN,
Defendant

VACATING ORDER

GOOD CAUSE having been shown, the Order Revoking License entered herein on December 29, 1997 is hereby VACATED.

CASE NO. INS970358
JANUARY 6, 1998

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
BILLIE J. BUCHANAN
and
CANNON INSURANCE GROUP, INC.,
Defendants

AMENDED ORDER REVOKING LICENSES

IT APPEARING from an investigation by the Bureau of Insurance that Defendants, duly licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia as insurance agents, in certain instances, violated §§ 38.2-1804, 38.2-1809 and 38.2-1813 and the Cease and Desist Order entered by the Commission in Case No. INS970071 by signing or allowing an insured to sign a blank or incomplete form pertaining to insurance, by failing to make records available promptly upon request for examination by the Commission during normal business hours, by failing to hold insureds' funds in a fiduciary capacity, by failing to pay funds to an insurer in the ordinary course of business, by failing to account for all premiums collected from insureds, by commingling premiums with personal funds, and by failing to maintain an accurate record and itemization of funds deposited into the agency's fiduciary account;

IT FURTHER APPEARING that the Commission is authorized by §§ 38.2-218, 38.2-219 and 38.2-1831 of the Code of Virginia to impose certain monetary penalties, issue cease and desist orders and to suspend or revoke Defendants' licenses upon a finding by the Commission, after notice and hearing, that Defendants have committed the aforesaid alleged violations;

IT FURTHER APPEARING that Defendants have been notified of Defendants' right to a hearing before the Commission in this matter by certified letter dated December 1, 1997, and mailed to the Defendants' address shown in the records of the Bureau of Insurance;

IT FURTHER APPEARING that Defendants, having been advised in the aforesaid manner of their right to a hearing in this matter, have failed to request a hearing and have not otherwise communicated with the Bureau of Insurance;

IT FURTHER APPEARING that the Bureau of Insurance, upon Defendants' failure to request a hearing, has recommended that the Commission enter an order revoking all of Defendants' licenses to transact the business of insurance in the Commonwealth of Virginia as insurance agents; and

THE COMMISSION is of the opinion and finds that Defendants have violated §§ 38.2-1804, 38.2-1809 and 38.2-1813 and the Cease and Desist Order entered by the Commission in Case No. INS970071 by signing or allowing an insured to sign a blank or incomplete form pertaining to insurance, by failing to make records available promptly upon request for examination by the Commission during normal business hours, by failing to hold insureds' funds in a fiduciary capacity, by failing to pay funds to an insurer in the ordinary course of business, by failing to account for all premiums collected from insureds, by commingling premiums with personal funds, and by failing to maintain an accurate record and itemization of funds deposited into the agency's fiduciary account;

THEREFORE, IT IS ORDERED THAT:

(1) The licenses of Defendants to transact the business of insurance as agents in the Commonwealth of Virginia be, and they are hereby, revoked;

(2) All appointments issued under said licenses be, and they are hereby, void;

(3) Defendants transact no further business in the Commonwealth of Virginia as insurance agents;

(4) Defendants shall not apply to the Commission to be licensed as insurance agents in the Commonwealth of Virginia prior to two (2) years from the date of this order;

(5) The Bureau of Insurance cause a copy of this order to be sent to every insurance company for which Defendants hold an appointment to act as insurance agents in the Commonwealth of Virginia; and

(6) The papers herein be placed in the file for ended causes.

CASE NO. INS970358
JANUARY 23, 1998

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
BILLIE J. BUCHANAN
and
CANNON INSURANCE GROUP, INC.,
Defendants

ORDER SUSPENDING EXECUTION OF JUDGMENT

UPON CONSIDERATION of a Petition for Reconsideration filed by defendants, by their counsel, with the Clerk of the Commission on January 20, 1998, and for good cause shown,

IT IS ORDERED that the execution of the judgment entered herein January 6, 1998 be, and it is hereby, SUSPENDED until further order of the Commission.

CASE NO. INS970358
MARCH 5, 1998

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
BILLIE J. BUCHANAN
and
THE CANNON GROUP, INC.,
Defendants

FINAL ORDER

WHEREAS, on January 6, 1998, the Commission entered an Amended Order Revoking Licenses wherein, *inter alia*, the licenses of Defendants to transact the business of insurance as agents in the Commonwealth of Virginia were revoked;

WHEREAS, on January 23, 1998, the Commission entered an Order Suspending Execution of Judgment in this matter wherein the Amended Order Revoking Licenses entered on January 6, 1998 was suspended until further order of the Commission; and

WHEREAS, the parties have reached an amicable resolution of this matter;

THEREFORE, IT IS ORDERED THAT:

(1) This matter be stricken from the docket of active causes; and

(2) The papers herein be placed in the file for ended causes.

CASE NO. INS970359
JUNE 17, 1998

PETITION OF
ARDC CORPORATION

For review of HOW Insurance Company, Home Warranty Corporation and Home Owners Warranty Corporation Deputy Receiver's Determination of Appeal

ORDER

On October 14, 1994, the Circuit Court of the City of Richmond, Virginia entered an order appointing the State Corporation Commission ("Commission") the Receiver of HOW Insurance Company, Home Warranty Corporation, and Home Owners Warranty Corporation ("HOW Companies" or

"HOW"). The receivership order granted the Commission authority to proceed with the rehabilitation or liquidation of the HOW Companies and established a "Receivership Appeal Procedure" ("RAP") to govern any appeals or challenges to any decisions rendered by the Receiver or the Receiver's duly authorized representatives.

ARDC Corporation ("Petitioner" or "ARDC") filed a Petition with the State Corporation Commission on December 17, 1997, alleging, inter alia, that: (i) the Deputy Receiver caused the HOW Companies to breach the Builder Agreement for HOW National Accounts Program ("Builder Agreement") by drawing on a letter of credit and by failing to pay to Petitioner (or to offset against the alleged claim of the HOW Companies against the ARDC claim as required by § 38.2-1515 of the Code of Virginia) amounts due under Section 7.02 of the Builder Agreement; (ii) the Deputy Receiver breached presentment warranties applicable to the letter of credit; and (iii) Petitioner has no adequate remedy at law for HOW's breaches of the Builder Agreement and will suffer irreparable injury unless the Commission issues an injunction against the Deputy Receiver and this Commission, as receiver for the HOW Companies, because the HOW Companies, as a result of their insolvency, may not be able to satisfy money judgments.

ARDC requested the following relief: (i) the allowance and immediate payment by the Deputy Receiver of an administrative claim in the amount of $37,782.14, plus costs and attorneys' fees, as an administrative expense; (ii) the issuance of an injunction prohibiting the Deputy Receiver and this Commission, as Receiver for the HOW Companies, from executing further draws on the letter of credit, and requiring the Deputy Receiver and the Commission, as Receiver of the HOW Companies, to comply with § 38.2-1515 of the Code of Virginia and the Builder Agreement; and (iii) granting Petitioner such other relief as is just and appropriate.

In response to ARDC's Petition, the Deputy Receiver filed a Motion to Dismiss and Answer to Petition for Review on February 20, 1998. Therein, the Deputy Receiver asserted that Petitioner failed to follow the Receivership Appeal Procedure when it sought review of this matter by the Commission. Second, the Deputy Receiver contended that the Receivership Appeal Procedure is the exclusive method for disposition or resolution of claims involving the receivership or the receivership estate.

On March 5, 1998, ARDC filed a Response in Opposition to Motion to Dismiss. Therein, Petitioner asserted that it did not file a "petition for review" seeking the Commission's review of an "appealable decision" by the Deputy Receiver. Rather, ARDC contended that it filed a petition pursuant to the Commission's Rules of Practice and Procedure seeking redress of the Deputy Receiver's knowing breach of contract and warranty and violation of applicable law. In support of its Response, the Petitioner argued that: (i) the Receivership Appeal Procedure is not applicable to its Petition since its claims are against the Deputy Receiver and not HOW; (ii) ARDC's claims against the Deputy Receiver "are based upon the Deputy Receiver's violation of the law governing the receivership and the breach of contract and warranty during the receivership"; (iii) its claims against the Deputy Receiver should be decided by the Commission "in the first instance rather than on review"; (iv) the Commission has jurisdiction over the matters raised in ARDC's Petition and should grant the requested relief; (v) the Deputy Receiver's failure to apply the provisions of § 38.2-1515 of the Code of Virginia "is the wrong that ARDC in the Petition properly asks the Commission to consider"; and (vi) as a matter of public policy the Commission should exercise jurisdiction in this case to ensure that its representative, the Deputy Receiver, complies with the laws of the Commonwealth of Virginia.

On March 11, 1998, the Deputy Receiver filed its Reply to ARDC's Response in Opposition to Motion to Dismiss. Therein, the Deputy Receiver contended that: (i) drawing down the letter of credit involves an "appealable decision" as set forth in the Receivership Appeal Procedure; (ii) Petitioner's assertion that the Receivership Appeal Procedure is not applicable to claims against the Deputy Receiver is incorrect; and (iii) application of the Receivership Appeal Procedure in this matter does not remove the case from the Commission's jurisdiction, nor does it prevent the Commission from deciding the merits of the case once the case is ripe for Commission review.

After reviewing the filing presented in the case the Hearing Examiner made the following findings and recommendations:

(i) This case falls squarely within the Receivership Appeal Procedure established by the Circuit Court of the City of Richmond's October 14, 1994, Final Order Appointing Receiver for Rehabilitation or Liquidation;

(ii) The Deputy Receiver's action of drawing on the letter of credit is covered by the Receivership Appeal Procedure;

(iii) Pursuant to the Receivership Appeal Procedure, ARDC is required first to file a claim with the Deputy Receiver;

(iv) An initial claim decision may be appealed within thirty (30) days to the Deputy Receiver;

(v) ARDC filed a claim with the Deputy Receiver seeking a return of amounts drawn on the letter of credit concurrent with the filing of its Petition with the Commission;

(vi) The Deputy Receiver has not decided the merits of the Petitioner's claim, nor has that decision been appealed to the Deputy Receiver; and

(vii) Petitioner's Petition is premature; and

(viii)The Commission should enter an order adopting his findings and dismissing ARDC's Petition without prejudice.

Upon consideration of the pleadings, the Hearing Examiner's Report and the comments filed in response thereto, the Commission is of the opinion and so finds that the Hearing Examiner's findings and recommendations should be adopted.

Accordingly, IT IS ORDERED THAT:

(1) The Deputy Receiver's Motion to Dismiss be, and it is hereby, GRANTED;

(2) The Petition of ARDC Corporation be, and it is hereby, DISMISSED, without prejudice; and

(3) The papers herein be passed to the file for ended causes.

CASE NO. INS970362
JANUARY 30, 1998

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
PARTNERS NATIONAL HEALTH PLANS OF NORTH CAROLINA, INC.,
Defendant

SETTLEMENT ORDER

IT APPEARING from a market conduct examination performed by the Bureau of Insurance that Defendant, duly licensed by the Commission to transact the business of a health maintenance organization in the Commonwealth of Virginia, in certain instances, may have violated §§ 38.2-316 A, 38.2-316 B, 38.2-316 C, 38.2-502 1, 38.2-510 A 5 and 38.2-4312 of the Code of Virginia, as well as 14 VAC 5-90-50 A, 14 VAC 5-90-60 A 1, 14 VAC 5-90-60 B 1, 14 VAC 5-90-60 B 3, 14 VAC 5-90-90 A, 14 VAC 5-90-90 C, 14 VAC 5-90-100, 14 VAC 5-90-110, 14 VAC 5-90-130 A, 14 VAC 5-90-160, 14 VAC 5-90-170, 14 VAC 5-210-50 C, 14 VAC 5-210-70 H 1 and 14 VAC 5-210-110 B;

IT FURTHER APPEARING that the Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-4316 of the Code of Virginia to impose certain monetary penalties, issue Cease and Desist Orders and to suspend or revoke Defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that Defendant has committed the aforesaid alleged violations;

IT FURTHER APPEARING that Defendant has been advised of its right to a hearing in this matter, whereupon Defendant, without admitting any violation of Virginia law, has made an offer of settlement to the Commission wherein Defendant has tendered to the Commonwealth of Virginia the sum of seventeen thousand dollars ($17,000) and has waived its right to a hearing; and

IT FURTHER APPEARING that the Bureau of Insurance has recommended that the Commission accept the offer of settlement of Defendant pursuant to the authority granted the Commission in § 12.1-15 of the Code of Virginia,

IT IS ORDERED THAT:

(1) The offer of Defendant in settlement of the matter set forth herein be, and it is hereby, accepted; and

(2) The papers herein be placed in the file for ended causes.

CASE NO. INS970363
FEBRUARY 9, 1998

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
JERRY LAWTON MARTIN,
Defendant

ORDER REVOKING LICENSE

IT APPEARING from an investigation by the Bureau of Insurance that Defendant, duly licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia as an insurance agent, in certain instances, committed acts that would result in Defendant's license to transact the business of insurance in the Commonwealth of Virginia to be revoked pursuant to § 38.2-1831 9 of the Code of Virginia;

IT FURTHER APPEARING that the Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code of Virginia to impose certain monetary penalties, issue cease and desist orders, and to suspend or revoke Defendant's license upon a finding by the Commission, after notice and hearing, that Defendant has committed the aforesaid alleged violations;

IT FURTHER APPEARING that Defendant has been notified of Defendant's right to a hearing before the Commission in this matter by certified letter dated December 24, 1997, and mailed to the Defendant's address shown in the records of the Bureau of Insurance;

IT FURTHER APPEARING that Defendant, having been advised in the aforesaid manner of his right to a hearing in this matter, has failed to request a hearing and has not otherwise communicated with the Bureau of Insurance;

IT FURTHER APPEARING that the Bureau of Insurance, upon Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking all of Defendant's licenses to transact the business of insurance in the Commonwealth of Virginia as an insurance agent; and

THE COMMISSION is of the opinion and finds that Defendant has committed acts that would result in Defendant's license to transact the business of insurance in the Commonwealth of Virginia to be revoked pursuant to § 38.2-1831 9 of the Code of Virginia;

THEREFORE, IT IS ORDERED THAT:

(1) The licenses of Defendant to transact the business of insurance as an agent in the Commonwealth of Virginia be, and they are hereby, revoked;

(2) All appointments issued under said licenses be, and they are hereby, void;

(3) Defendant transact no further business in the Commonwealth of Virginia as an insurance agent;

(4) Defendant shall not apply to the Commission to be licensed as an insurance agent in the Commonwealth of Virginia prior to two (2) years from the date of this order;

(5) The Bureau of Insurance cause a copy of this order to be sent to every insurance company for which Defendant holds an appointment to act as an insurance agent in the Commonwealth of Virginia; and

(6) The papers herein be placed in the file for ended causes.

CASE NO. INS970365
OCTOBER 15, 1998

PETITION OF
HARRIS AND VERA GEHL

For review of HOW Insurance Company, Home Warranty Corporation and Home Owners Warranty Corporation Deputy Receiver's Determination of Appeal

ORDER

On October 14, 1994, the Circuit Court of the City of Richmond, Virginia, entered an order appointing the State Corporation Commission ("Commission") the Receiver of the How Insurance Company, Home Warranty Corporation and Home Owners Warranty Corporation ("HOW Companies" or "HOW"). The Receivership Order granted the Commission the authority to proceed with the rehabilitation or liquidation of the HOW Companies and established a "Receivership Appeal Procedure" ("RAP") to govern appeals or challenges to any decisions rendered by the Receiver or the Receiver's duly authorized representatives.

On December 16, 1997, Harris and Vera Gehl ("Petitioners" or "Gehls") filed a Petition for Review ("Petition") with the Commission contesting the Deputy Receiver's Determination of Appeal in Claim No. 3702913, denying the Petitioners' claim for coverage under their homeowners warranty insurance policy regarding problems associated with water leaking through an outside wall into the family room of their home at 24515 Avenida Arconte, Murrieta, California.

By order dated January 5, 1998, the Commission docketed the Petition, assigned the matter to a Hearing Examiner, and directed the Deputy Receiver to file an Answer or other responsive pleading to the Petition on or before February 27, 1998.

On February 27, 1998, the Deputy Receiver filed a Motion to Dismiss and Answer to Petition for Review, and a Memorandum in Support of Motion to Dismiss. In its Motion to Dismiss, the Deputy Receiver claimed, *inter alia*, that: (i) Petitioners' claim of water leakage and damage to their home did not constitute a Major Structural Defect ("MSD") as defined by the HOW insurance/warranty document; (ii) the defect to Petitioners' home existed at the inception of ownership, whether structural or not, and therefore is covered only during the Builder's Limited Warranty period which has long since expired; and (iii) the Gehls' Petition fails to assert a claim on which relief may be granted and should be dismissed.

Petitioners filed their response to the Deputy Receiver's Motion to Dismiss on March 16, 1998. The Motion to Dismiss was denied by Hearing Examiner Ruling of March 31, 1998. Pursuant to Hearing Examiner's Rulings of March 31, 1998 and June 5, 1998, a procedural schedule was established and a hearing was calendared for July 27, 1998.

On the appointed day of the hearing, the Gehls appeared *pro se*. Susan E. Salch, Esquire, appeared as counsel to the Deputy Receiver. The Petitioners' maintained, *inter alia*, that: (i) after moving into their home in July 1990, they discovered defects including the leaking of water into their home when it rained; (ii) shortly after discovering the defects, they contacted The Gibbs Company, Inc. ("Builder") and the Builder responded by attempting to make the required repairs; (iii) on three separate occasions, the last of which occurred in 1993, the Builder attempted to repair the same water leakage defect; and (iv) they initially contacted HOW concerning the water leakage problem in June 1997.

The Deputy Receiver contended, *inter alia*, that: (i) Petitioners' claim was untimely with respect to the available coverage; (ii) the Builder's Limited Warranty coverage for water leaks expired on July 30, 1991; (iii) because the Gehls failed to file a claim with HOW until 1997, the only available coverage under the HOW Warranty Program was for major structural defects that first occur during years three through ten; (iv) no structural defect exists or has ever existed at Petitioners' home; and (v) since Petitioners' claim is for a problem that existed before year three of the HOW coverage, even if the claim is for a MSD, the defect fails to meet the express requirement that it first occur during coverage years three through ten.

After receiving the testimony and evidence presented in the case, and reviewing the filings therein, the Hearing Examiner made the following findings and recommendations:

(1) The HOW insurance/warranty explicitly limits the HOW Program Builder's Limited Warranty period to one year for defects due to noncompliance with the performance standards listed in the HOW insurance/warranty document;

(2) The HOW Program Builder's Limited Warranty provides an additional year of coverage for specifically designated systems such as electrical, plumbing, heating, cooling and ventilation systems;

(3) In this case, the HOW Program Builder's Limited Warranty period began to run on July 30, 1990;

(4) All coverage under the Builder's Limited Warranty expired July 30, 1992;

(5) Petitioners filed their claim with HOW in 1997, well beyond the expiration of coverage under the Builder's Limited Warranty;

(6) The Deputy Receiver correctly denied coverage under the Builder's Limited Warranty;

(7) When the Petitioners filed their claim, the only HOW coverage still in effect related solely to major structural defects;

(8) In this case, for a major structural defect to be present, the load-bearing function of a wall must be impaired;

(9) The Gehls neither complained of nor provided any evidence that their wall has failed in its load-bearing function;

(10) The water leakage problem described by Petitioners fails to constitute a major structural defect as defined in the HOW insurance/warranty document;

(11) MSD coverage for the Gehls began on July 30, 1992 and expires July 30, 2000;

(12) MSD coverage available to the Gehls is for defects occurring after July 30, 1992;

(13) Petitioners maintained that the defect of which they are complaining first occurred before the beginning of the MSD coverage;

(14) Here, no MSD coverage is available because the Gehl's problem complained of first occurred during the Builder's Limited Warranty period; and

(15) The Commission should enter an order adopting his findings, affirming the Deputy Receiver's denial of Claim No. 3702913, and dismissing this case from the docket of active matters.

Upon consideration of the pleadings, prefiled testimony, transcript of the hearing and the Hearing Examiner's Report, the Commission is of the opinion that the Hearing Examiner's findings and recommendations should be adopted in part. The Commission adopts findings one (1) through ten (10) of the Hearing Examiner since the record herein is insufficient to sustain Petitioners' MSD claim. Accordingly,

IT IS ORDERED THAT:

(1) The Petition of Harris and Vera Gehl for review of the Deputy Receiver's Determination of Appeal be, and it is hereby, DENIED;

(2) The Deputy Receiver's Determination of Appeal issued in Claim No. 3702913 on November 20, 1997 be, and it is hereby, AFFIRMED; and

(3) The case is dismissed and the papers herein are passed to the file for ended causes.

CASE NO. INS970368
JANUARY 21, 1998

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
NATIONAL ALLIED HEALTH SERVICES, INC.,
Defendant

ORDER REVOKING LICENSE

IT APPEARING from an investigation by the Bureau of Insurance that Defendant, duly licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia as an insurance agent, in certain instances, violated §§ 38.2-1809 and 38.2-1826 of the Code of Virginia by failing to provide records requested by the Commission and by failing to report a change in the agent's residence to the Commission;

IT FURTHER APPEARING that the Commission is authorized by §§ 38.2-218, 38.2-219 and 38.2-1831 of the Code of Virginia to impose certain monetary penalties, issue cease and desist orders and to suspend or revoke Defendant's license upon a finding by the Commission, after notice and hearing, that Defendant has committed the aforesaid alleged violations;

IT FURTHER APPEARING that Defendant has been notified of Defendant's right to a hearing before the Commission in this matter by certified letter dated November 3, 1997, and mailed to the Defendant's address shown in the records of the Bureau of Insurance;

IT FURTHER APPEARING that Defendant, having been advised in the aforesaid manner of its right to a hearing in this matter, has failed to request a hearing and has not otherwise communicated with the Bureau of Insurance;

IT FURTHER APPEARING that the Bureau of Insurance, upon Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking all of Defendant's licenses to transact the business of insurance in the Commonwealth of Virginia as an insurance agent; and

THE COMMISSION is of the opinion and finds that Defendant has violated §§ 38.2-1809 and 38.2-1826 of the Code of Virginia;

THEREFORE, IT IS ORDERED THAT:

(1) The licenses of Defendant to transact the business of insurance as an agent in the Commonwealth of Virginia be, and they are hereby, revoked;

(2) All appointments issued under said licenses be, and they are hereby, void;

(3) Defendant transact no further business in the Commonwealth of Virginia as an insurance agent;

(4) Defendant shall not apply to the Commission to be licensed as an insurance agent in the Commonwealth of Virginia prior to two (2) years from the date of this order;

(5) The Bureau of Insurance cause a copy of this order to be sent to every insurance company for which Defendant holds an appointment to act as an insurance agent in the Commonwealth of Virginia; and

(6) The papers herein be placed in the file for ended causes.

CASE NO. INS980001
JUNE 24, 1998

PETITION OF
ELDA L. WINDER

For review of HOW Insurance Company, Home Warranty Corporation and Home Owners Warranty Corporation Deputy Receiver's Determination of Appeal

ORDER

On October 14, 1994, the Circuit Court of the City of Richmond, Virginia, entered an order appointing the State Corporation Commission ("Commission") the Receiver of HOW Insurance Company, Home Warranty Corporation and Home Owners Warranty Corporation ("HOW Companies" or "HOW"). The receivership order granted the Commission authority to proceed with the rehabilitation or liquidation of the HOW Companies and established a "Receivership Appeal Procedure" ("RAP") to govern any appeals or challenges to any decisions rendered by the Receiver or the Receiver's duly authorized representatives.

On December 29, 1997, Elda L. Winder ("Petitioner") filed, by counsel, a Petition with the State Corporation Commission ("Commission") contesting the Deputy Receiver's Determination of Appeal in Claim No. 3716333A. In the Determination of Appeal, the Deputy Receiver denied Petitioner's claims for: (i) cracks in the foundation allowing water entry; (ii) build up of water around foundation due to improper material fill; (iii) foundation drain improperly functioning; and (iv) sump pump improperly functioning, on the basis that they did not constitute Major Structural Defects as defined in the Home Owners Warranty/Insurance Document.

By Order dated January 9, 1998, the Commission docketed the Petition, assigned the case to a Hearing Examiner, and directed the Deputy Receiver to file an Answer or other responsive pleading to the Petition on or before April 10, 1998.

On April 9, 1998, the Deputy Receiver filed a Motion to Dismiss and Answer to the Petition, and a Memorandum in Support of the Motion to Dismiss. In its Motion to Dismiss, the Deputy Receiver contended, inter alia, that: (i) Petitioner's Petition for Review was untimely filed with the Commission according to the requirements set forth in the Receivership Appeal Procedure; and (ii) Petitioner made no allegations sufficient to constitute a Major Structural Defect under the How Program coverage still in effect.

By Hearing Examiner's Ruling dated April 13, 1998, Petitioner was afforded an opportunity to file a response to the Deputy Receiver's Motion to Dismiss on or before April 29, 1998. Petitioner filed no response.

After reviewing the filings submitted in the case, the Hearing Examiner made the following findings and recommendations:

(i) Sections C.1 and C.2 of the Receivership Appeal Procedure require the party(s) appealing the Deputy Receiver's Determination of Appeal to the Commission to file an appeal within thirty days from the date reflected on the Deputy Receiver's Determination of Appeal;

(ii) The Deputy Receiver's Determination of Appeal was issued on November 20, 1997;

(iii) Petitioner's Petition for Review was filed with the Commission on December 29, 1997;

(iv) Petitioner's Petition for Review was filed with the Commission thirty-nine (39) days after the Deputy Receiver's Determination of Appeal;

(v) Petitioner failed to provide any response or explanation for failure to file her appeal with the Commission within the required thirty (30) days;

(vi) Petitioner's Petition for Review was untimely filed with the Commission;

(vii) The Commission should enter an order dismissing the Petition of Elda L. Winder and affirming the Deputy Receiver's Determination of Appeal in Claim No. 3716333A, issued on November 20, 1997.

Upon consideration of the pleadings and the Hearing Examiner's Report, the Commission is of the opinion and so finds that the Hearing Examiner's findings and recommendations should be adopted.

Accordingly, IT IS ORDERED THAT:

(4) The Deputy Receiver's Motion to Dismiss be, and it is hereby GRANTED;

(5) The Petition of Elda L. Winder for review of the Deputy Receiver's Determination of Appeal be, and it is hereby, DENIED;

(6) The Deputy Receiver's Determination of Appeal in Claim No. 3716333A, issued on November 20, 1997, be, and it is hereby, AFFIRMED; and

(7) The papers herein be passed to the file for ended causes.

CASE NO. INS980002
JULY 6, 1998

PETITION OF
JAMES AND STEPHANIE CULLINANE

For review of HOW Insurance Company, Home Warranty Corporation and Home Owners Warranty Corporation Deputy Receiver's Determination of Appeal

ORDER

On October 14, 1994, the Circuit Court of Richmond, Virginia, entered an order appointing the State Corporation Commission ("Commission") the Receiver of HOW Insurance Company, Home Warranty Corporation and Home Owners Warranty Corporation ("HOW" or "HOW Companies"). The receivership order granted the Commission authority to proceed with the rehabilitation or liquidation of the HOW Companies and established a "Receivership Appeal Procedure" to govern any appeals or challenges to any decisions rendered by the Receiver or the Receiver's duly authorized representatives.

On December 29, 1997, James and Stephanie Cullinane ("Petitioners") by counsel filed a Petition for Review ("Petition") with the Commission contesting the Deputy Receiver's Determination of Appeal in Claim No. 3043882, wherein the Deputy Receiver determined that Petitioners' claim for Major Structural Defect coverage was filed with HOW after expiration of the applicable coverage term.

By order of this Commission dated January 9, 1998, the Commission assigned this case to a Hearing Examiner to conduct further proceedings for the purposes of taking evidence and making recommendations to the Commission for the determination of this Petition. Additionally, this order directed the Deputy Receiver to file an Answer or other responsive pleading to the Petition on or before April 3, 1998.

On April 3, 1998, the Deputy Receiver filed a Motion to Dismiss and Answer to Petition for Review, and a Memorandum in Support of the Motion. In its Motion to Dismiss, the Deputy Receiver contended, inter alia, that the Cullinane's Petition was time-barred pursuant to the express terms of the HOW Insurance/Warranty documents.

By Hearing Examiner's Ruling dated April 13, 1998, Petitioners were provided an opportunity to respond to the Motion to Dismiss on or before April 29, 1998. Petitioners filed no response.

After reviewing the filings submitted in the case, the Hearing Examiner made the following findings and recommendations:

(i) Petitioners home was enrolled in the HOW Program on November 5, 1986;

(ii) Coverage under the policy expired on November 5, 1996, ten years after Petitioners' home was enrolled in the HOW Program;

(iii) Petitioners' claim for Major Structural Defect coverage was received by the HOW Companies on July 14, 1997;

(iv) Petitioners' claim was not reported to the HOW Companies until more than seven (7) months after the applicable coverage and the notice period expired;

(v) Petitioners' claim was untimely filed with HOW;

(vi) The Deputy Receiver's Motion to Dismiss should be granted;

(vii) The Commission should enter an order adopting her findings, affirming the Deputy Receiver's Determination of Appeal in Claim No. 3043882, and dismissing this case from the docket of active matters.

Upon consideration of the filings submitted and the Hearing Examiner's Report, the Commission is of the opinion and so finds that the Hearing Examiner's findings and recommendations should be adopted.

Accordingly, IT IS ORDERED THAT:

(1) The Deputy Receiver's Motion to Dismiss be, and it is hereby, GRANTED;

(2) The Petition of James and Stephanie Cullinane for review of the Deputy Receiver's Determination of Appeal be, and it is hereby, DENIED;

(3) The Deputy Receiver's Determination of Appeal in Claim No. 3043882, issued on November 20, 1997, be, and it is hereby, AFFIRMED;

(4) The case is dismissed and the papers herein are passed to the file for ended causes.

CASE NO. INS980004
JANUARY 30, 1998

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
SELECTIVE INSURANCE COMPANY OF AMERICA,
SELECTIVE INSURANCE COMPANY OF THE SOUTHEAST
and
SELECTIVE WAY INSURANCE COMPANY,
Defendants

SETTLEMENT ORDER

IT APPEARING from a market conduct examination performed by the Bureau of Insurance that Defendants, duly licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia, in certain instances, violated the Code of Virginia to wit: Selective Insurance Company of America violated §§ 38.2-231, 38.2-304, 38.2-305, 38.2-510 A 10, 38.2-1906 B, 38.2-2014 and 38.2-2114 of the Code of Virginia, as well as 14 VAC 5-400-30 and 14 VAC 5-400-70 A; Selective Insurance Company of the Southeast violated §§ 38.2-510 A 10, 38.2-1906 B, 38.2-2014 and 38.2-2212 of the Code of Virginia, as well as 14 VAC 5-400-30 and 14 VAC 5-400-70 A; and Selective Way Insurance Company violated §§ 38.2-231, 38.2-304, 38.2-510 A 10, 38.2-1906 B and 38.2-2114 of the Code of Virginia, as well as 14 VAC 5-390-40, 14 VAC 5-400-30 and 14 VAC 5-400-70 A;

IT FURTHER APPEARING that the Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1040 of the Code of Virginia to impose certain monetary penalties, issue cease and desist orders and to suspend or revoke Defendants' licenses upon a finding by the Commission, after notice and opportunity to be heard, that Defendants have committed the aforesaid alleged violations;

IT FURTHER APPEARING that Defendants have been advised of their right to a hearing in this matter, whereupon Defendants, without admitting any violation of Virginia law, have made an offer of settlement to the Commission wherein Defendants have tendered to the Commonwealth of Virginia the sum of eighteen thousand dollars ($18,000), have waived their right to a hearing, and have agreed to the entry by the Commission of a cease and desist order; and

IT FURTHER APPEARING that the Bureau of Insurance has recommended that the Commission accept the offer of settlement of Defendants pursuant to the authority granted the Commission in § 12.1-15 of the Code of Virginia,

IT IS ORDERED THAT:

(1) The offer of Defendants in settlement of the matter set forth herein be, and it is hereby, accepted;

(2) Selective Insurance Company of America cease and desist from any conduct which constitutes a violation of §§ 38.2-231, 38.2-304, 38.2-305, 38.2-510 A 10, 38.2-1906 B, 38.2-2014 and 38.2-2114 of the Code of Virginia, as well as 14 VAC 5-400-30 and 14 VAC 5-400-70 A;

(3) Selective Insurance Company of the Southeast cease and desist from any conduct which constitutes a violation of §§ 38.2-510 A 10, 38.2-1906 B, 38.2-2014 and 38.2-2212 of the Code of Virginia, as well as 14 VAC 5-400-30 and 14 VAC 5-400-70 A;

(4) Selective Way Insurance Company cease and desist from any conduct which constitutes a violation of §§ 38.2-231, 38.2-304, 38.2-510 A 10, 38.2-1906 B and 38.2-2114 of the Code of Virginia, as well as 14 VAC 5-390-40, 14 VAC 5-400-30 and 14 VAC 5-400-70 A; and

(5) The papers herein be placed in the file for ended causes.

CASE NO. INS980006
MAY 22, 1998

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
NYLCARE HEALTH PLANS OF THE MID-ATLANTIC, INC.,
Defendant

SETTLEMENT ORDER

IT APPEARING from a market conduct examination performed by the Bureau of Insurance that Defendant, duly licensed by the Commission to transact the business of a health maintenance organization in the Commonwealth of Virginia, in certain instances, may have violated Subsection 1 of § 38.2-502 and §§ 38.2-316 A, 38.2-316 B, 38.2-316 C, 38.2-503, 38.2-510 A 5, 38.2-511, 38.2-1318 C, 38.2-1812 A, 38.2-1822 A, 38.2-1833 A 1, 38.2-1834 C, 38.2-3407.4, 38.2-4301 C, 38.2-4306 A 2, 38.2-4306 B 1, 38.2-4306.1, 38.2-4308 A and 38.2-4312 of the Code of Virginia, as well as 14 VAC 5-90-50 A, 14 VAC 5-90-60 A 1, 14 VAC 5-90-60 B 1, 14 VAC 5-90-80 B, 14 VAC 5-90-80 C, 14 VAC 5-90-90 A, 14 VAC 5-90-90 C, 14 VAC 5-90-100 A, 14 VAC 5-90-110, 14 VAC 5-90-120 B, 14 VAC 5-90-130 A, 14 VAC 5-90-160, 14 VAC 5-90-170 A, 14 VAC 5-210-60 H, 14 VAC 5-210-70 H 1, 14 VAC 5-210-110 A, and 14 VAC 5-210-110 B;

IT FURTHER APPEARING that the Commission is authorized by §§ 38.2-218, 38.2-219 and 38.2-4316 of the Code of Virginia to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke Defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that Defendant has committed the aforesaid alleged violations;

IT FURTHER APPEARING that Defendant has been advised of its right to a hearing in this matter, whereupon Defendant, without admitting any violation of Virginia law, has made an offer of settlement to the Commission wherein Defendant has tendered to the Commonwealth of Virginia the sum of three hundred twenty-seven thousand dollars ($327,000), has waived its right to a hearing, and has agreed to the entry by the Commission of a cease and desist order; and

IT FURTHER APPEARING that the Bureau of Insurance has recommended that the Commission accept the offer of settlement of Defendant pursuant to the authority granted the Commission in § 12.1-15 of the Code of Virginia,

IT IS ORDERED THAT:

(1) The offer of Defendant in settlement of the matter set forth herein be, and it is hereby, accepted;

(2) Defendant cease and desist from any conduct which constitutes a violation of Subsection 1 of § 38.2-502 and §§ 38.2-316 A, 38.2-316 B, 38.2-316 C, 38.2-503, 38.2-510 A 5, 38.2-511, 38.2-1318 C, 38.2-1812 A, 38.2-1822 A, 38.2-1833 A 1, 38.2-1834 C, 38.2-3407.4, 38.2-4301 C, 38.2-4306 A 2, 38.2-4306 B 1, 38.2-4306.1, 38.2-4308 A and 38.2-4312 of the Code of Virginia, as well as 14 VAC 5-90-50 A, 14 VAC 5-90-60 A 1, 14 VAC 5-90-60 B 1, 14 VAC 5-90-80 B, 14 VAC 5-90-80 C, 14 VAC 5-90-90 A, 14 VAC 5-90-90 C, 14 VAC 5-90-100 A, 14 VAC 5-90-110, 14 VAC 5-90-120 B, 14 VAC 5-90-130 A, 14 VAC 5-90-160, 14 VAC 5-90-170 A, 14 VAC 5-210-60 H, 14 VAC 5-210-70 H 1, 14 VAC 5-210-110 A, and 14 VAC 5-210-110 B; and

(3) The papers herein be placed in the file for ended causes.

CASE NO. INS980007
MARCH 31, 1998

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
NATIONWIDE MUTUAL INSURANCE COMPANY,
NATIONWIDE MUTUAL FIRE INSURANCE COMPANY,
NATIONWIDE GENERAL INSURANCE COMPANY,
and
NATIONWIDE PROPERTY & CASUALTY INSURANCE COMPANY,
Defendants

SETTLEMENT ORDER

IT APPEARING from a market conduct examination performed by the Bureau of Insurance that Defendants, duly licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia, in certain instances, violated the Code of Virginia to wit: Nationwide Mutual Insurance Company violated §§ 38.2-228, 38.2-231, 38.2-305, 38.2-317, 38.2-510 A 1, 38.2-510 A 10, 38.2-1904, 38.2-1906, 38.2-2014, 38.2-2208, 38.2-2212, and 38.2-2220 of the Code of Virginia, as well as 14 VAC 5-390-40 D, 14 VAC 5-390-40 F, 14 VAC 5-400-30, 14 VAC 5-400-40 A, 14 VAC 5-400-50 D, 14 VAC 5-400-70 A, 14 VAC 5-400-70 D, and 14 VAC 5-400-80 D; Nationwide Mutual Fire Insurance Company violated §§ 38.2-231, 38.2-317, 38.2-510 A 1, 38.2-510 A 10, 38.2-1904, 38.2-1905, 38.2-1906 B, 38.2-2014, 38.2-2113, 38.2-2114, 38.2-2119, 38.2-2212, and 38.2-2220 of the Code of Virginia, as well as 14 VAC 5-400-30, 14 VAC 5-400-40 A, 14 VAC 5-400-50 D, 14 VAC 5-400-60 B, 14 VAC 5-400-70 A, 14 VAC 5-400-70 D, and 14 VAC 5-400-80 D; Nationwide General Insurance Company violated §§ 38.2-305, 38.2-510 A 1, 38.2-510 A 10, 38.2-1906 B, 38.2-2014, 38.2-2208, and 38.2-2212 of the Code of Virginia, as well as 14 VAC 5-400-30, 14 VAC 5-400-40 A, 14 VAC 5-400-50 D, 14 VAC 5-400-70 A, 14 VAC 5-400-70 D, and

14 VAC 5-400-80 D; and Nationwide Property and Casualty Insurance Company violated §§ 38.2-231, 38.2-304, 38.2-317, 38.2-510 A 1, 38.2-510 A 10, 38.2-1904, 38.2-1906 B, 38.2-2014, and 38.2-2220 of the Code of Virginia, as well as 14 VAC 5-400-30, 14 VAC 5-400-40 A, 14 VAC 5-400-50 D, 14 VAC 5-400-70 A, 14 VAC 5-400-70 D, and 14 VAC 5-400-80 D;

IT FURTHER APPEARING that the Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1040 of the Code of Virginia to impose certain monetary penalties, issue cease and desist orders and to suspend or revoke Defendants' licenses upon a finding by the Commission, after notice and opportunity to be heard, that Defendants have committed the aforesaid alleged violations;

IT FURTHER APPEARING that Defendants have been advised of their right to a hearing in this matter, whereupon Defendants, without admitting any violation of Virginia law, have made an offer of settlement to the Commission wherein Defendants have tendered to the Commonwealth of Virginia the sum of forty-four thousand dollars ($44,000), have waived their right to a hearing, and have agreed to the entry by the Commission of a cease and desist order; and

IT FURTHER APPEARING that the Bureau of Insurance has recommended that the Commission accept the offer of settlement of Defendants pursuant to the authority granted the Commission in § 12.1-15 of the Code of Virginia,

IT IS ORDERED THAT:

(1) The offer of Defendants in settlement of the matter set forth herein be, and it is hereby, accepted;

(2) Nationwide Mutual Insurance Company cease and desist from any conduct which constitutes a violation of §§ 38.2-228, 38.2-231, 38.2-305, 38.2-317, 38.2-510 A 1, 38.2-510 A 10, 38.2-1904, 38.2-1906, 38.2-2014, 38.2-2208, 38.2-2212, and 38.2-2220 of the Code of Virginia, as well as 14 VAC 5-390-40 D, 14 VAC 5-390-40 F, 14 VAC 5-400-30, 14 VAC 5-400-40 A, 14 VAC 5-400-50 D, 14 VAC 5-400-70 A, 14 VAC 5-400-70 D, and 14 VAC 5-400-80 D;

(3) Nationwide Mutual Fire Insurance Company cease and desist from any conduct which constitutes a violation of §§ 38.2-231, 38.2-317, 38.2-510 A 1, 38.2-510 A 10, 38.2-1904, 38.2-1905, 38.2-1906 B, 38.2-2014, 38.2-2113, 38.2-2114, 38.2-2119, 38.2-2212, and 38.2-2220 of the Code of Virginia, as well as 14 VAC 5-400-30, 14 VAC 5-400-40 A, 14 VAC 5-400-50 D, 14 VAC 5-400-60 B, 14 VAC 5-400-70 A, 14 VAC 5-400-70 D, and 14 VAC 5-400-80 D;

(4) Nationwide General Insurance Company cease and desist from any conduct which constitutes a violation of §§ 38.2-305, 38.2-510 A 1, 38.2-510 A 10, 38.2-1906 B, 38.2-2014, 38.2-2208, and 38.2-2212 of the Code of Virginia, as well as 14 VAC 5-400-30, 14 VAC 5-400-40 A, 14 VAC 5-400-50 D, 14 VAC 5-400-70 A, 14 VAC 5-400-70 D, and 14 VAC 5-400-80 D;

(5) Nationwide Property and Casualty Insurance Company cease and desist from any conduct which constitutes a violation of §§ 38.2-231, 38.2-304, 38.2-317, 38.2-510 A 1, 38.2-510 A 10, 38.2-1904, 38.2-1906 B, 38.2-2014, and 38.2-2220 of the Code of Virginia, as well as 14 VAC 5-400-30, 14 VAC 5-400-40 A, 14 VAC 5-400-50 D, 14 VAC 5-400-70 A, 14 VAC 5-400-70 D, and 14 VAC 5-400-80 D; and

(6) The papers herein be placed in the file for ended causes.

CASE NO. INS980008
JUNE 24, 1998

PETITION OF
SYLVESTER AND JOAN HINTON

For review of HOW Insurance Company, Home Warranty Corporation and Home Owners Warranty Corporation Deputy Receiver's Determination of Appeal

ORDER

On October 14, 1994, the Circuit Court of the City of Richmond, Virginia, entered an order appointing the State Corporation Commission ("Commission") the Receiver of the HOW Insurance Company, Home Warranty Corporation and Home Owners Warranty Corporation ("HOW Companies" or "HOW"). The receivership order granted the Commission authority to proceed with the rehabilitation or liquidation of the HOW Companies and established a "Receivership Appeal Procedure" ("RAP") to govern any appeals or challenges to any decisions rendered by the Receiver or the Receiver's duly authorized representatives.

On January 9, 1998, Sylvester and Joan Hinton ("Petitioners") filed a Petition with the Commission contesting the Deputy Receiver's Determination of Appeal in Claim No. 4096837 denying the Petitioners' claim for coverage under their homeowners warranty insurance policy. In the Determination of Appeal, the Deputy Receiver denied Petitioners' claims for: (i)cracks and knots in the roof overhangs; (ii) holes and cracks in the driveway; and (iii) cracks and knots in the deck flooring and railing, causing warping, on the basis that they did not constitute Major Structural Defects as defined in the Home Owners Insurance/Warranty Document.

By order dated January 15, 1998, the Commission docketed the Petition, assigned the case to a Hearing Examiner, and directed the Deputy Receiver to file an Answer or other responsive pleading to the Petition on or before April 17, 1998.

On April 16, 1998, the Deputy Receiver filed a Motion to Dismiss and Answer to the Petition, and a Memorandum in Support of the Motion to Dismiss. In its Motion to Dismiss, the Deputy Receiver contended, inter alia that: (i) the Petition for Review was not timely filed with the Commission according to the requirements set forth in the Receivership Appeal Procedure; and (ii) Petitioner made no allegations sufficient to constitute a Major Structural Defect under the HOW Program coverage still in effect.

By Hearing Examiner's Ruling dated April 17, 1998, Petitioner was afforded an opportunity to file a response to the Deputy Receiver's Motion to Dismiss on or before May 5, 1998. Petitioners filed a response on May 1, 1998, and claimed, among other things, that the Deputy Receiver's decision of April 16, 1998, was unfair and unjust. Petitioners' response did not address the Deputy Receiver's contention that this appeal is barred because Petitioners failed to timely file their Petition for Review with the Commission.

After reviewing the filings submitted in the case, the Hearing Examiner made the following findings and recommendations:

(i) Sections C.1 and C.2 of the Receivership Appeal Procedure require the party(s) appealing the Deputy Receiver's Determination of Appeal to the Commission to file an appeal within thirty days from the date reflected on the Determination of Appeal;

(ii) The Deputy Receiver's Determination of Appeal was issued on November 20, 1997;

(iii) Petitioners' Petition for Review was filed with the Commission on January 9, 1998;

(iv) Petitioners' Petition for Review was filed with the Commission fifty (50) days after issuance of the Determination of Appeal;

(v) Petitioners failed to provide any response or explanation for failure to file an appeal with the Commission within the required thirty (30) days;

(vi) Petitioners' Petition for Review was untimely filed with the Commission;

(vii) The Deputy Receiver's Motion to Dismiss should be granted; and

(viii)The Commission should enter an order dismissing the Petition for Review of Sylvester and Joan Hinton and affirming the Deputy Receiver's Determination of Appeal in Claim No. 4096837, issued on November 20, 1997.

Upon consideration of the pleadings and the Hearing Examiner's Report, the Commission is of the opinion and so finds that the Hearing Examiner's findings and recommendations should be adopted.

Accordingly, IT IS ORDERED THAT:

(1) The Deputy Receiver's Motion to Dismiss be, and it is hereby, GRANTED;

(2) The Petition of Sylvester and Joan Hinton for review of the Deputy Receiver's Determination of Appeal be, and it is hereby, DENIED;

(3) The Deputy Receiver's Determination of Appeal in Claim No. 4096837, issued on November 20, 1997, be, and it is hereby, AFFIRMED; and

(4) The papers herein be passed to the file for ended causes.

CASE NO. INS980010
FEBRUARY 23, 1998

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
HERITAGE NATIONAL HEALTH PLAN, INC.,
Defendant

SETTLEMENT ORDER

IT APPEARING from a market conduct examination performed by the Bureau of Insurance that Defendant, duly licensed by the Commission to transact the business of a health maintenance organization in the Commonwealth of Virginia, in certain instances, may have violated subsection 1 of § 38.2-502 and §§ 38.2-510 A 5, 38.2-316 A, 38.2-316 B, 38.2-316 C, 38.2-3407.4 B, 38.2-1812 A, 38.2-1822 A, 38.2-1833 A 1, 38.2-1834 C, 38.2-4301 C, 38.2-4306 A 2, 38.2-4306 B 1, 38.2-4306.1 B, 38.2-4312 A, and 38.2-4313 of the Code of Virginia, as well as 14 VAC 5-90-130 A, 14 VAC 5-210-50 C 2, 14 VAC 5-210-70 C, 14 VAC 5-210-110 A, and 14 VAC 5-210-110 B;

IT FURTHER APPEARING that the Commission is authorized by §§ 38.2-218, 38.2-219 and 38.2-4316 of the Code of Virginia to impose certain monetary penalties, issue cease and desist orders and to suspend or revoke Defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that Defendant has committed the aforesaid alleged violations;

IT FURTHER APPEARING that Defendant has been advised of its right to a hearing in this matter, whereupon Defendant, without admitting any violation of Virginia law, has made an offer of settlement to the Commission wherein Defendant has tendered to the Commonwealth of Virginia the sum of twenty-two thousand dollars ($22,000) and has waived its right to a hearing; and

IT FURTHER APPEARING that the Bureau of Insurance has recommended that the Commission accept the offer of settlement of Defendant pursuant to the authority granted the Commission in § 12.1-15 of the Code of Virginia,

IT IS ORDERED THAT:

(1) The offer of Defendant in settlement of the matter set forth herein be, and it is hereby, accepted; and

(2) The papers herein be placed in the file for ended causes.

CASE NO. INS980014
FEBRUARY 3, 1998

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
FIRST CONTINENTAL LIFE AND ACCIDENT INSURANCE COMPANY,
Defendant

IMPAIRMENT ORDER

WHEREAS, First Continental Life and Accident Insurance Company, a foreign corporation domiciled in the State of Utah and licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia, is required to maintain minimum capital of $1,000,000 and minimum surplus of $3,000,000;

WHEREAS, § 38.2-1036 of the Code of Virginia provides, inter alia, that if the Commission finds an impairment of the required minimum surplus of any foreign insurer, the Commission may order the insurer to eliminate the impairment and restore the minimum surplus to the amount required by law and may prohibit the insurer from issuing any new policies in the Commonwealth of Virginia while the impairment of its surplus exists; and

WHEREAS, the September 30, 1997 Quarterly Statement of Defendant, filed with the Commission's Bureau of Insurance, indicates capital of $2,500,001, and surplus of $2,716,751;

IT IS ORDERED that, on or before May 4, 1998, Defendant eliminate the impairment in its surplus and restore the same to at least $3,000,000 and advise the Commission of the accomplishment thereof by affidavit of Defendant's president or other authorized officer.

IT IS FURTHER ORDERED that Defendant shall issue no new contracts or policies of insurance in the Commonwealth of Virginia while the impairment of Defendant's surplus exists and until further order of the Commission.

CASE NO. INS980014
MAY 6, 1998

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
FIRST CONTINENTAL LIFE AND ACCIDENT INSURANCE COMPANY,
Defendant

ORDER TO TAKE NOTICE

WHEREAS, § 38.2-1040 of the Code of Virginia provides, inter alia, that the Commission may suspend or revoke the license of any insurance company to transact the business of insurance in the Commonwealth of Virginia whenever the Commission finds that the company is insolvent, or is in a condition that any further transaction of business in this Commonwealth is hazardous to its policyholders, creditors, and public in this Commonwealth;

WHEREAS, by order entered herein February 3, 1998, Defendant was ordered to eliminate the impairment in its surplus and restore the same to at least $3,000,000 and advise the Commission of the accomplishment thereof by affidavit of Defendant's president or other authorized officer on or before May 4, 1998; and

WHEREAS, as of the date of this order, Defendant has failed to eliminate the impairment in its surplus;

THEREFORE, IT IS ORDERED that Defendant TAKE NOTICE that the Commission shall enter an order subsequent to May 15, 1998, suspending the license of Defendant to transact the business of insurance in the Commonwealth of Virginia unless on or before May 15, 1998, Defendant files with the Clerk of the Commission, Document Control Center, P.O. Box 2118, Richmond, Virginia 23218, a request for a hearing before the Commission with respect to the proposed suspension of Defendant's license.

CASE NO. INS980014
JULY 31, 1998

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
FIRST CONTINENTAL LIFE AND ACCIDENT INSURANCE COMPANY,
Defendant

FINAL ORDER

WHEREAS, by order entered February 3, 1998, Defendant was ordered to eliminate the impairment in its surplus and restore the same to at least $3,000,000 on or before May 4, 1998, and advise the Commission of the accomplishment thereof by affidavit of Defendant's president or other authorized officer;

WHEREAS, by order entered herein May 6, 1998, Defendant was ordered to take notice that the Commission would enter an order subsequent to May 15, 1998, suspending the license of Defendant to transact the business of insurance in the Commonwealth of Virginia unless on or before May 15, 1998, Defendant filed with the Clerk of the Commission a request for a hearing before the Commission to contest the proposed suspension of Defendant's license;

WHEREAS, Defendant filed a timely request for a hearing;

WHEREAS, by affidavit of Defendant's Vice President-Finance, Treasurer, and Corporate Secretary dated July 10, 1998, and filed with the Commission on July 28, 1998, the Commission was advised that, as of June 30, 1998, Defendant restored its surplus to policyholders to at least $3,000,000; and

WHEREAS, the Bureau of Insurance has recommended that the Impairment Order entered by the Commission be vacated;

THE COMMISSION, having considered the record herein and the recommendation of the Bureau of Insurance, is of the opinion that the Impairment Order entered by the Commission should be, and it is hereby, VACATED.

CASE NO. INS980016
FEBRUARY 23, 1998

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
QUALCHOICE OF VIRGINIA HEALTH PLAN, INC.,
Defendant

SETTLEMENT ORDER

IT APPEARING from a market conduct examination performed by the Bureau of Insurance that Defendant, duly licensed by the Commission to transact the business of a health maintenance organization in the Commonwealth of Virginia, in certain instances, may have violated Subsection 1 of § 38.2-502 and §§ 38.2-503, 38.2-509 A 1, 38.2-510 A 5, 38.2-316 B, 38.2-316 C, 38.2-1812 A, 38.2-1822 A, 38.2-1833 A 1, 38.2-1834 C, 38.2-3407.4, 38.2-4301 B 8, 38.2-4301 B 11, 38.2-4301 C, 38.2-4306 A 2, 38.2-4306.1, 38.2-4308 A, 38.2-4312 and 38.2-4313 of the Code of Virginia, as well as 14 VAC 5-90-50 A, 14 VAC 5-90-60 A 1, 14 VAC 5-90-60 A 2, 14 VAC 5-90-60 B 1, 14 VAC 5-90-80 B, 14 VAC 5-90-130 A, 14 VAC 5-90-170, 14 VAC 5-210-50 C 2, 14 VAC 5-210-50 C 3, 14 VAC 5-210-70 A 1, 14 VAC 5-210-70 H 1, and 14 VAC 5-210-110 B;

IT FURTHER APPEARING that the Commission is authorized by §§ 38.2-218, 38.2-219 and 38.2-4316 of the Code of Virginia to impose certain monetary penalties, issue cease and desist orders and to suspend or revoke Defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that Defendant has committed the aforesaid alleged violations;

IT FURTHER APPEARING that Defendant has been advised of its right to a hearing in this matter, whereupon Defendant, without admitting any violation of Virginia law, has made an offer of settlement to the Commission wherein Defendant has tendered to the Commonwealth of Virginia the sum of twenty-five thousand dollars ($25,000) and has waived its right to a hearing; and

IT FURTHER APPEARING that the Bureau of Insurance has recommended that the Commission accept the offer of settlement of Defendant pursuant to the authority granted the Commission in § 12.1-15 of the Code of Virginia,

IT IS ORDERED THAT:

(1) The offer of Defendant in settlement of the matter set forth herein be, and it is hereby, accepted; and

(2) The papers herein be placed in the file for ended causes.

CASE NO. INS980026
MARCH 23, 1998

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
UNITED STATES FIDELITY AND GUARANTY COMPANY,
Defendant

SETTLEMENT ORDER

IT APPEARING from an investigation and subsequent allegations by the Bureau of Insurance that Defendant, duly licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia, in a certain instance, has violated § 38.2-1906 of the Code of Virginia, as well as the Cease and Desist Orders entered by the Commission in Case Nos. INS860045, INS880178, INS930435, INS960269, and INS970138 by failing to file timely with the Commission notice that the company intended to amend a previously approved policy effective date;

IT FURTHER APPEARING that the Commission is authorized by §§ 38.2-218, 38.2-219 and 38.2-1040 of the Code of Virginia to impose certain monetary penalties, issue cease and desist orders and to suspend or revoke Defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that Defendant has committed the aforesaid alleged violation;

IT FURTHER APPEARING that Defendant has been advised of its right to a hearing in this matter, whereupon Defendant, without admitting any violation of Virginia law, has made an offer of settlement to the Commission wherein Defendant has tendered to the Commonwealth of Virginia the sum of seventeen thousand five hundred dollars ($17,500), has waived its right to a hearing and has agreed to the entry by the Commission of a cease and desist order; and

IT FURTHER APPEARING that the Bureau of Insurance has recommended that the Commission accept the offer of settlement of Defendant pursuant to the authority granted the Commission in § 12.1-15 of the Code of Virginia,

IT IS ORDERED THAT:

(1) The offer of Defendant in settlement of the matter set forth herein be, and it is hereby, accepted;

(2) Defendant cease and desist from any conduct which constitutes a violation of § 38.2-1906 of the Code of Virginia; and

(3) The papers herein be placed in the file for ended causes.

CASE NO. INS980027
MARCH 23, 1998

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
FIDELITY AND GUARANTY INSURANCE UNDERWRITERS, INC.,
Defendant

SETTLEMENT ORDER

IT APPEARING from an investigation and subsequent allegations by the Bureau of Insurance that Defendant, duly licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia, in a certain instance, has violated § 38.2-1906 of the Code of Virginia, as well as the Cease and Desist Orders entered by the Commission in Case Nos. INS860046, INS960270, and INS970134 by failing to file timely with the Commission notice that the company intended to amend a previously approved policy effective date;

IT FURTHER APPEARING that the Commission is authorized by §§ 38.2-218, 38.2-219 and 38.2-1040 of the Code of Virginia to impose certain monetary penalties, issue cease and desist orders and to suspend or revoke Defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that Defendant has committed the aforesaid alleged violation;

IT FURTHER APPEARING that Defendant has been advised of its right to a hearing in this matter, whereupon Defendant, without admitting any violation of Virginia law, has made an offer of settlement to the Commission wherein Defendant has tendered to the Commonwealth of Virginia the sum of five thousand dollars ($5,000), has waived its right to a hearing and has agreed to the entry by the Commission of a cease and desist order; and

IT FURTHER APPEARING that the Bureau of Insurance has recommended that the Commission accept the offer of settlement of Defendant pursuant to the authority granted the Commission in § 12.1-15 of the Code of Virginia,

IT IS ORDERED THAT:

(1) The offer of Defendant in settlement of the matter set forth herein be, and it is hereby, accepted;

(2) Defendant cease and desist from any conduct which constitutes a violation of § 38.2-1906 of the Code of Virginia; and

(3) The papers herein be placed in the file for ended causes.

CASE NO. INS980031
MARCH 2, 1998

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
VICTORIA FIRE & CASUALTY COMPANY,
Defendant

SETTLEMENT ORDER

IT APPEARING from a market conduct examination performed by the Bureau of Insurance that Defendant, duly licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia, in certain instances, violated §§ 38.2-510 A 6, 38.2-510 A 10, 38.2-511, 38.2-610 B, 38.2-1833, 38.2-1905, 38.2-1906 B, 38.2-2202, 38.2-2210, 38.2-2212, and 38.2-2220 of the Code of Virginia, as well as 14 VAC 5-400-40 A, 14 VAC 5-400-70 A, 14 VAC 5-400-70 D, and 14 VAC 5-400-80 D;

IT FURTHER APPEARING that the Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1040 of the Code of Virginia to impose certain monetary penalties, issue cease and desist orders and to suspend or revoke Defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that Defendant has committed the aforesaid alleged violations;

IT FURTHER APPEARING that Defendant has been advised of its right to a hearing in this matter, whereupon Defendant, without admitting any violation of Virginia law, has made an offer of settlement to the Commission wherein Defendant has tendered to the Commonwealth of Virginia the sum of nineteen thousand dollars ($19,000), has waived its right to a hearing, and has agreed to the entry by the Commission of a cease and desist order; and

IT FURTHER APPEARING that the Bureau of Insurance has recommended that the Commission accept the offer of settlement of Defendant pursuant to the authority granted the Commission in § 12.1-15 of the Code of Virginia.

IT IS ORDERED THAT:

(1) The offer of Defendant in settlement of the matter set forth herein be, and it is hereby, accepted;

(2) Defendant cease and desist from any conduct which constitutes a violation of §§ 38.2-510 A 6, 38.2-510 A 10, 38.2-511, 38.2-610 B, 38.2-1833, 38.2-1905, 38.2-1906 B, 38.2-2202, 38.2-2210, 38.2-2212, and 38.2-2220 of the Code of Virginia, as well as 14 VAC 5-400-40 A, 14 VAC 5-400-70 A, 14 VAC 5-400-70 D, and 14 VAC 5-400-80 D; and

(3) The papers herein be placed in the file for ended causes.

CASE NO. INS980038
MAY 8, 1998

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
NATIONWIDE LIFE INSURANCE COMPANY,
Defendant

SETTLEMENT ORDER

IT APPEARING from an investigation and subsequent allegations by the Bureau of Insurance that Defendant, duly licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia, in certain instances, may have violated § 38.2-610 of the Code of Virginia by failing to give to applicants for insurance written notice of an adverse underwriting decision in the form approved by the Commission;

IT FURTHER APPEARING that the Commission is authorized by §§ 38.2-218, 38.2-219 and 38.2-1040 of the Code of Virginia to impose certain monetary penalties, issue cease and desist orders and to suspend or revoke Defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that Defendant has committed the aforesaid alleged violations;

IT FURTHER APPEARING that Defendant has been advised of its right to a hearing in this matter, whereupon Defendant, without admitting any violation of Virginia law, has made an offer of settlement to the Commission wherein Defendant has tendered to the Commonwealth of Virginia the sum of fifteen thousand dollars ($15,000), has waived its right to a hearing and has agreed to the entry by the Commission of a cease and desist order; and

IT FURTHER APPEARING that the Bureau of Insurance has recommended that the Commission accept the offer of settlement of Defendant pursuant to the authority granted the Commission in § 12.1-15 of the Code of Virginia.

IT IS ORDERED THAT:

(1) The offer of Defendant in settlement of the matter set forth herein be, and it is hereby, accepted;

(2) Defendant cease and desist from any conduct which constitutes a violation of § 38.2-610 of the Code of Virginia; and

(3) The papers herein be placed in the file for ended causes.

CASE NO. INS980039
MARCH 9, 1998

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
WORLD SERVICE LIFE INSURANCE COMPANY OF AMERICA,
Defendant

ORDER SUSPENDING LICENSE

WHEREAS, § 38.2-1040 of the Code of Virginia provides, inter alia, that the Commission may suspend or revoke the license of any insurance company to transact the business of insurance in the Commonwealth of Virginia whenever the Commission finds that the Company is insolvent, or is in a condition that any further transaction of business in this Commonwealth is hazardous to its policyholders, creditors and public in this Commonwealth;

WHEREAS, World Service Life Insurance Company of America, a foreign corporation domiciled in the State of Alabama, and licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia ("Defendant"), is required to maintain minimum capital of $1,000,000 and minimum surplus of $3,000,000;

WHEREAS, § 38.2-1036 of the Code of Virginia provides, inter alia, that if the Commission finds an impairment of the required surplus of any foreign insurer, the Commission may suspend the license of such foreign insurer; and

WHEREAS, the 1997 Annual Statement of Defendant, filed with the Commission's Bureau of Insurance, indicates capital of $2,250,000 and surplus of $2,835,531;

THEREFORE, IT IS ORDERED THAT:

(1) Pursuant to §§ 38.2-1036 and 38.2-1040 of the Code of Virginia, the license of Defendant to transact the business of insurance in the Commonwealth of Virginia be, and it is hereby, SUSPENDED;

(2) Defendant shall issue no new contracts or policies of insurance in the Commonwealth of Virginia until further order of the Commission;

(3) The appointments of Defendant's agents to act on behalf of Defendant in the Commonwealth of Virginia be, and they are hereby, SUSPENDED;

(4) Defendant's agents shall transact no new insurance business on behalf of Defendant in the Commonwealth of Virginia until further order of the Commission;

(5) The Bureau of Insurance shall cause an attested copy of this order to be sent to each of Defendant's agents appointed to act on behalf of Defendant in the Commonwealth of Virginia as notice of the suspension of such agent's appointment; and

(6) The Bureau of Insurance shall cause notice of the suspension of Defendant's license to be published in the manner set forth in § 38.2-1043 of the Code of Virginia.

CASE NO. INS980040
DECEMBER 22, 1998

PETITION OF
WILLIAM AND SHERRY NOVAK

For review of HOW Insurance Company, Home Warranty Corporation And Home Owners Warranty Corporation Deputy Receiver's Determination of Appeal

ORDER

On October 14, 1994, the Circuit Court of the City of Richmond, Virginia, entered an order appointing the Virginia State Corporation Commission ("Commission") the Receiver of the HOW Insurance Company, Home Warranty Corporation and Home Owners Warranty Corporation ("HOW Companies" or "HOW"). The Receivership Order granted the Commission the authority to proceed with the rehabilitation or liquidation of the HOW

Companies and established a "Receivership Appeal Procedure" ("RAP") to govern appeals or challenges to any decisions rendered by the Receiver or the Receiver's duly authorized representatives.

On March 2, 1998, William and Sherry Novak ("Petitioners" or "Novaks") filed a Petition for Review ("Petition") with the Commission contesting the Deputy Receiver's Determination of Appeal in Claim No. 2797056-A, denying Petitioners' claim for coverage under their homeowners warranty insurance policy regarding problems associated with frozen water pipes and insufficient insulation in their home located at 7280 Gullford Road, Seville, Ohio.

By order dated March 16, 1998, the Commission docketed the Petition, assigned the matter to a Hearing Examiner, and directed the Deputy Receiver to file an Answer or other responsive pleading to the Petition on or before May 15, 1998.

On May 15, 1998, the Deputy Receiver filed an Answer to the Petition. In its Answer, the Deputy Receiver asserts, among other things, that frozen pipes, insufficient insulation, and siding defects are not Major Structural Defects ("MSDs") as defined by the HOW Insurance/Warranty documents.

Pursuant to Hearing Examiner's Ruling of June 5, 1998, a procedural schedule was established and a hearing was calendared for September 9, 1998. On the appointed day of the hearing, Steven Gall, Esquire, and Lisa Brook, Esquire, appeared as counsel to the Petitioners. Susan E. Salch, Esquire, appeared as counsel to the Deputy Receiver.

Petitioners claim, inter alia, that: (i) previously repaired cracks in the second floor wall which have reappeared and a crack in the foundation of the garage of their home are indicative of major structural defects, (ii) the home is improperly insulated, (iii) water pipes freeze during the winter, and (iv) a siding problem exists since the home is without corner braces. The Deputy Receiver contends, among other things, that the HOW Insurance/Warranty documents specifically exclude damage to exterior siding, insulation and plumbing systems from the definition of Major Structural Defects.

After receiving the testimony and evidence presented in the case, and reviewing the filings therein, the Hearing Examiner made the following findings and recommendations:

(1) Petitioners' home was enrolled in the HOW program on September 21, 1990;

(2) Petitioners' present claim, filed with HOW on October 7, 1997, and appealed to the Commission on March 2, 1998, involves frozen water pipes and previously repaired cracks in the second floor wall;

(3) The allegations of cracks in the garage foundation were made for the first time during the course of the appeal and, therefore cannot be considered in this proceeding;

(4) The HOW Insurance/Warranty documents specify first year coverage for insufficient insulation, cracks in interior walls and ceiling surfaces, and plumbing pipes that freeze and burst;

(5) Cracks in the interior walls, exceeding 1/8 inch, were previously repaired once by the builder during the first year of limited warranty coverage as required by the HOW Warranty documents;

(6) Pipes must freeze and burst within the first year for limited warranty coverage to apply;

(7) Pipes in Petitioners' home have continued to freeze, but they have not burst;

(8) An insufficient insulation defect must be reported within the first year of limited warranty coverage;

(9) Petitioners first raised the issue of inadequate insulation in 1997, several years after the limited warranty expired;

(10) The evidence in this proceeding does not meet the existence of a Major Structural Defect; and

(11) The Commission should enter an order adopting the findings in his report, affirming the Deputy Receiver's denial of the Novak's claim, and dismissing this case and passing the papers to the file for ended causes.

Upon consideration of the pleadings, prefiled testimony, transcript of the hearing and Hearing Examiner's Report, the Commission is of the opinion that the Hearing Examiner's findings and recommendations should be adopted. Accordingly,

IT IS ORDERED THAT:

(1) The Petition of William and Sherry Novak for review of the Deputy Receiver's Determination of Appeal be, and it is hereby, DENIED;

(2) The Deputy Receiver's Determination of Appeal issued in Claim No. 2797056-A on February 6, 1998 be, and it is hereby, AFFIRMED;

(3) Petitioners' claim for the alleged defect of cracks in the garage foundation be, and it is hereby, DISMISSED, without prejudice, since a determination on that issue was not made herein; and

(4) The case is dismissed and the papers herein are placed in the file for ended causes.

CASE NO. INS980042
MARCH 31, 1998

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
CIGNA HEALTHCARE OF VIRGINIA,
Defendant

SETTLEMENT ORDER

IT APPEARING from market conduct examination performed by the Bureau of Insurance that Defendant, duly licensed by the Commission to transact the business of a health maintenance organization in the Commonwealth of Virginia, in certain instances, may have violated Subsection 1 of § 38.2-502, and §§ 38.2-503 and 38.2-4312 A of the Code of Virginia, as well as 14 VAC 5-90-60 A 1, 14 VAC 5-90-60 A 2, 14 VAC 5-90-60 B 1, 14 VAC 5-90-70, 14 VAC 5-90-80 A, 14 VAC 5-90-90 A, 14 VAC 5-90-90 C and 14 VAC 5-90-130 A;

IT FURTHER APPEARING that the Commission is authorized by §§ 38.2-218, 38.2-219 and 38.2-4316 of the Code of Virginia to impose certain monetary penalties, issue cease and desist orders and to suspend or revoke Defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that Defendant has committed the aforesaid alleged violations;

IT FURTHER APPEARING that Defendant has been advised of its right to a hearing in this matter, whereupon Defendant, without admitting any violation of Virginia law, has made an offer of settlement to the Commission wherein Defendant has tendered to the Commonwealth of Virginia the sum of fourteen thousand dollars ($14,000), has waived its right to a hearing, and has agreed to the entry by the Commission of a cease and desist order; and

IT FURTHER APPEARING that the Bureau of Insurance has recommended that the Commission accept the offer of settlement of Defendant pursuant to the authority granted the Commission in § 12.1-15 of the Code of Virginia,

IT IS ORDERED THAT:

(1) The offer of Defendant in settlement of the matter set forth herein be, and it is hereby, accepted;

(2) Defendant cease and desist from any conduct which constitutes a violation of Subsection 1 of § 38.2-502, and §§ 38.2-503 and 38.2-4312 A of the Code of Virginia, as well as 14 VAC 5-90-60 A 1, 14 VAC 5-90-60 A 2, 14 VAC 5-90-60 B 1, 14 VAC 5-90-70, 14 VAC 5-90-80 A, 14 VAC 5-90-90 A, 14 VAC 5-90-90 C and 14 VAC 5-90-130 A; and

(3) The papers herein be placed in the file for ended causes.

CASE NO. INS980043
APRIL 30, 1998

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
NATIONWIDE MUTUAL INSURANCE COMPANY,
Defendant

SETTLEMENT ORDER

IT APPEARING from an investigation and subsequent allegations by the Bureau of Insurance that Defendant, duly licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia, in a certain instance, has violated § 38.2-1906 of the Code of Virginia, as well as the Cease and Desist Orders entered by the Commission in Case Nos. INS950181, INS960129, and INS960280 by failing to file timely with the Commission notice that the Company intended to delay implementation of supplementary rate information filed on its behalf by the Insurance Services Office, Inc.;

IT FURTHER APPEARING that the Commission is authorized by §§ 38.2-218, 38.2-219 and 38.2-1040 of the Code of Virginia to impose certain monetary penalties, issue cease and desist orders and to suspend or revoke Defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that Defendant has committed the aforesaid alleged violation;

IT FURTHER APPEARING that Defendant has been advised of its right to a hearing in this matter, whereupon Defendant, without admitting any violation of Virginia law, has made an offer of settlement to the Commission wherein Defendant has tendered to the Commonwealth of Virginia the sum of five thousand dollars ($5,000), has waived its right to a hearing and has agreed to the entry by the Commission of a cease and desist order; and

IT FURTHER APPEARING that the Bureau of Insurance has recommended that the Commission accept the offer of settlement of Defendant pursuant to the authority granted the Commission in § 12.1-15 of the Code of Virginia,

IT IS ORDERED THAT:

(1) The offer of Defendant in settlement of the matter set forth herein be, and it is hereby, accepted;

(2) Defendant cease and desist from any conduct which constitutes a violation of § 38.2-1906 of the Code of Virginia; and

(3) The papers herein be placed in the file for ended causes.

CASE NO. INS980059
JUNE 11, 1998

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
FEDERAL INSURANCE COMPANY
VIGILANT INSURANCE COMPANY
and
GREAT NORTHERN INSURANCE COMPANY,
Defendants

SETTLEMENT ORDER

IT APPEARING from an investigation and subsequent allegations by the Bureau of Insurance that Defendants, duly licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia, in certain instances, have violated the Code of Virginia to wit: Federal Insurance Company violated §§ 38.2-1906 and 38.2-2220 of the Code of Virginia, as well as the Cease and Desist Orders entered by the Commission in Case Nos. INS880505, INS950212 and INS960311, by making or issuing an insurance contract or policy not in accordance with the rate and supplementary rate information filings in effect for the Defendant and by failing, after a standard form was adopted by the Commission, to use the precise language of the form filed and adopted by the Commission; Vigilant Insurance Company violated § 38.2-2220 of the Code of Virginia by failing, after a standard form was adopted by the Commission, to use the precise language of the form filed and adopted by the Commission; and Great Northern Insurance Company violated § 38.2-2220 of the Code of Virginia by failing, after a standard form was adopted by the Commission, to use the precise language of the form filed and adopted by the Commission;

IT FURTHER APPEARING that the Commission is authorized by §§ 38.2-218, 38.2-219 and 38.2-1040 of the Code of Virginia to impose certain monetary penalties, issue cease and desist orders and to suspend or revoke Defendants' licenses upon a finding by the Commission, after notice and opportunity to be heard, that Defendants have committed the aforesaid alleged violations;

IT FURTHER APPEARING that Defendants have been advised of their right to a hearing in this matter, whereupon Defendants, without admitting any violation of Virginia law, have made an offer of settlement to the Commission wherein Defendants have tendered to the Commonwealth of Virginia the sum of seventeen thousand dollars ($17,000), have waived their right to a hearing and have agreed to the entry by the Commission of a cease and desist order; and

IT FURTHER APPEARING that the Bureau of Insurance has recommended that the Commission accept the offer of settlement of Defendants pursuant to the authority granted the Commission in § 12.1-15 of the Code of Virginia.

IT IS ORDERED THAT:

(1) The offer of Defendants in settlement of the matter set forth herein be, and it is hereby, accepted;

(2) Federal Insurance Company cease and desist from any conduct which constitutes a violation of §§ 38.2-1906 and 38.2-2220 of the Code of Virginia;

(3) Vigilant Insurance Company cease and desist from any conduct which constitutes a violation of § 38.2-2220 of the Code of Virginia;

(4) Great Northern Insurance Company cease and desist from any conduct which constitutes a violation of § 38.2-2220 of the Code of Virginia; and

(5) The papers herein be placed in the file for ended causes.

CASE NO. INS980064
OCTOBER 8, 1998

PETITION OF
M. DAVID MORGAN

For a review of HOW Insurance Company, Home Warranty Corporation and Home Owners Warranty Corporation Deputy Receiver's Determination of Appeal

ORDER

On October 14, 1994, the Circuit Court of the City of Richmond, Virginia, entered an order appointing the State Corporation Commission ("Commission") the Receiver of the HOW Insurance Company, Home Warranty Corporation and Home Owners Warranty Corporation ("HOW Companies"

or "HOW"). The Receivership Order granted the Commission authority to proceed with the rehabilitation or liquidation of the HOW Companies and established a "Receivership Appeal Procedure" ("RAP") to govern appeals or challenges to any decisions rendered by the Receiver or the Receiver's duly authorized representatives.

On March 25, 1998, M. David Morgan ("Petitioner") filed a Petition for Review ("Petition") with the Commission contesting the Deputy Receiver's Determination of Appeal in Claim No. 2706681. The Determination of Appeal issued December 23, 1997, denied Petitioner's claim of problems in his home at 3301 206th Place, S.W., Lynnwood, Washington, as time-barred by the express provisions of the HOW Insurance/Warranty document applicable to Petitioner's home.

By Order dated April 3, 1998, the Commission docketed the Petition, assigned the matter to a Hearing Examiner, and directed the Deputy Receiver to file an Answer or other responsive pleading to the Petition on or before May 22, 1998.

The Deputy Receiver filed a Motion to Dismiss and Answer to Petition for Review, and a Memorandum in Support of Motion to Dismiss with the Clerk of the Commission on May 22, 1998. In the Motion to Dismiss, the Deputy Receiver contended, inter alia, that: (1) the Petitioner's claim is time-barred by the express contractual provisions of the HOW program; and (2) damage to heating systems and damage to sheathing and siding are expressly excluded from Major Structural Defect ("MSD") coverage by the HOW document.

Pursuant to Hearing Examiner's Ruling of June 3, 1998, Petitioner was provided an opportunity to file a response to the Motion to Dismiss on or before June 22, 1998. Petitioner filed no response to the Motion to Dismiss.

After reviewing the filings presented in the case, the Hearing Examiner made the following findings and recommendations:

(1) Petitioner's home was enrolled in the HOW program on April 18, 1986;

(2) Coverage under the Limited Warranty provisions of the policy expired on April 18, 1988;

(3) All HOW coverage, including MSD coverage, expired May 20, 1996;

(4) Petitioner's claims were filed with the HOW Companies on October 13, 1997;

(5) Petitioner's claims are time-barred by the express provisions of the HOW Insurance/Warranty document; and

(6) The Commission should enter an order dismissing the Petition of M. David Morgan and affirming the Deputy Receiver's Determination of Appeal.

Upon consideration of the filings and the report of the Chief Hearing Examiner, the Commission is of the opinion that the Chief Hearing Examiner's findings and recommendations should be adopted. Accordingly,

IT IS ORDERED THAT:

(1) The Deputy Receiver's Motion to Dismiss be, and it is hereby, GRANTED;

(2) The Petition of M. David Morgan for review of the Deputy Receiver's Determination of Appeal be, and it is hereby, DENIED;

(3) The Deputy Receiver's Determination of Appeal issued in Claim No. 2706681 on December 23, 1997 be, and it is hereby AFFIRMED; and

(4) The case is dismissed and the papers herein are passed to the file for ended causes.

CASE NO. INS980065
MAY 1, 1998

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
WILLIAM M. MARKS,
Defendant

ORDER REVOKING LICENSE

IT APPEARING from an investigation by the Bureau of Insurance that Defendant, duly licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia as an insurance agent, in certain instances, violated § 38.2-512 of the Code of Virginia by making false or fraudulent statements or representations on relative to an application for an insurance policy for the purpose of obtaining a fee or commission;

IT FURTHER APPEARING that the Commission is authorized by §§ 38.2-218, 38.2-219 and 38.2-1831 of the Code of Virginia to impose certain monetary penalties, issue cease and desist orders and to suspend or revoke Defendant's license upon a finding by the Commission, after notice and hearing, that Defendant has committed the aforesaid alleged violations;

IT FURTHER APPEARING that Defendant has been notified of Defendant's right to a hearing before the Commission in this matter by certified letter dated March 24, 1998, and mailed to the Defendant's address shown in the records of the Bureau of Insurance;

IT FURTHER APPEARING that Defendant, having been advised in the aforesaid manner of his right to a hearing in this matter, has failed to request a hearing and has not otherwise communicated with the Bureau of Insurance;

IT FURTHER APPEARING that the Bureau of Insurance, upon Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking all of Defendant's licenses to transact the business of insurance in the Commonwealth of Virginia as an insurance agent; and

THE COMMISSION is of the opinion and finds that Defendant has violated § 38.2-512 of the Code of Virginia by making false or fraudulent statements or representations on relative to an application for an insurance policy for the purpose of obtaining a fee or commission;

THEREFORE, IT IS ORDERED THAT:

(1) The licenses of Defendant to transact the business of insurance as an agent in the Commonwealth of Virginia be, and they are hereby, revoked;

(2) All appointments issued under said licenses be, and they are hereby, void;

(3) Defendant transact no further business in the Commonwealth of Virginia as an insurance agent;

(4) Defendant shall not apply to the Commission to be licensed as an insurance agent in the Commonwealth of Virginia prior to two (2) years from the date of this order;

(5) The Bureau of Insurance cause a copy of this order to be sent to every insurance company for which Defendant holds an appointment to act as an insurance agent in the Commonwealth of Virginia; and

(6) The papers herein be placed in the file for ended causes.

CASE NO. INS980073
MAY 27, 1998

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
PRIMERICA LIFE INSURANCE COMPANY,
Defendant

SETTLEMENT ORDER

IT APPEARING from an investigation and subsequent allegations by the Bureau of Insurance that Defendant, duly licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia, in certain instances, may have violated § 38.2-610 of the Code of Virginia by failing to give to applicants for insurance written notice of an adverse underwriting decision in the form approved by the Commission;

IT FURTHER APPEARING that the Commission is authorized by §§ 38.2-218, 38.2-219 and 38.2-1040 of the Code of Virginia to impose certain monetary penalties, issue cease and desist orders and to suspend or revoke Defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that Defendant has committed the aforesaid alleged violations;

IT FURTHER APPEARING that Defendant has been advised of its right to a hearing in this matter, whereupon Defendant, without admitting any violation of Virginia law, has made an offer of settlement to the Commission wherein Defendant has tendered to the Commonwealth of Virginia the sum of fifteen thousand dollars ($15,000) and has waived its right to a hearing; and

IT FURTHER APPEARING that the Bureau of Insurance has recommended that the Commission accept the offer of settlement of Defendant pursuant to the authority granted the Commission in § 12.1-5 of the Code of Virginia,

IT IS ORDERED THAT:

(1) The offer of Defendant in settlement of the matter set forth herein be, and it is hereby, accepted; and

(2) The papers herein be placed in the file for ended causes.

CASE NO. INS980079
JUNE 11, 1998

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
STEPHEN O. OBERSHAW,
Defendant

CEASE AND DESIST ORDER

IT APPEARING from an investigation and subsequent allegations by the Bureau of Insurance that Defendant, in certain instances, has violated §§ 38.2-1801 and 38.2-1822 of the Code of Virginia by claiming to be an authorized agent of a particular insurer without becoming an appointed agent of that insurer and by acting as an agent without first obtaining a license in a manner and in a form prescribed by the Commission;

IT FURTHER APPEARING that the Commission is authorized by §§ 38.2-218 and 38.2-219 of the Code of Virginia to impose certain monetary penalties and issue cease and desist orders upon a finding by the Commission, after notice and opportunity to be heard, that Defendant has committed the aforesaid alleged violations;

IT FURTHER APPEARING that Defendant has been notified of his right to a hearing before the Commission in this matter by certified letter dated April 30, 1998 and mailed to the Defendant's address shown in the records of the Bureau of Insurance;

IT FURTHER APPEARING that Defendant, having been advised in the aforesaid manner of his right to a hearing in this mater, has failed to request a hearing; and

IT FURTHER APPEARING that the Bureau of Insurance upon Defendant's failure to request a hearing, has recommended that the Commission enter an order requiring Defendant to cease and desist from any further violations of §§ 38.2-1801 and 38.2-1822 of the Code of Virginia;

THE COMMISSION is of the opinion and finds that Defendant has violated §§ 38.2-1801 and 38.2-1822 of the Code of Virginia;

THEREFORE, IT IS ORDERED THAT:

(1) Defendant cease and desist from any conduct which constitutes a violation of §§ 38.2-1801 and 38.2-1822 of the Code of Virginia; and

(2) The papers herein be placed in the file for ended causes.

CASE NO. INS980080
APRIL 15, 1998

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
THE CENTENNIAL LIFE INSURANCE COMPANY,
Defendant

ORDER SUSPENDING LICENSE

WHEREAS, § 38.2-1040 of the Code of Virginia provides, inter alia, that the Commission may suspend or revoke the license of any insurance company to transact the business of insurance in the Commonwealth of Virginia whenever the Commission finds that the Company is insolvent, or is in a condition that any further transaction of business in this Commonwealth is hazardous to its policyholders, creditors and public in this Commonwealth;

WHEREAS, by order entered in the District Court of Shawnee County, Kansas, on February 4, 1998 in Case No. 98CV144, the Commissioner of Insurance for the State of Kansas was appointed the Rehabilitator of The Centennial Life Insurance Company, a foreign corporation domiciled in the state of Kansas, and licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia ("Defendant"), and directed to take immediate possession of the assets, business and affairs of Defendant and Defendant's estate; and

WHEREAS, the Bureau of Insurance has recommended that Defendant's license to transact the business of insurance in the Commonwealth of Virginia be suspended,

THEREFORE, IT IS ORDERED THAT:

(1) Pursuant to § 38.2-1040 of the Code of Virginia, the license of Defendant to transact the business of insurance in the Commonwealth of Virginia be, and it is hereby, SUSPENDED;

(2) Defendant shall issue no new contracts or policies of insurance in the Commonwealth of Virginia until further order of the Commission;

(3) The appointments of Defendant's agents to act on behalf of Defendant in the Commonwealth of Virginia be, and they are hereby, SUSPENDED;

(4) Defendant's agents shall transact no new insurance business on behalf of Defendant in the Commonwealth of Virginia until further order of the Commission;

(5) The Bureau of Insurance shall cause an attested copy of this order to be sent to each of Defendant's agents appointed to act on behalf of Defendant in the Commonwealth of Virginia as notice of the suspension of such agent's appointment; and

(6) The Bureau of Insurance shall cause notice of the suspension of Defendant's license to be published in the manner set forth in § 38.2-1043 of the Code of Virginia.

CASE NO. INS980080
JULY 6, 1998

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
THE CENTENNIAL LIFE INSURANCE COMPANY,
Defendant

ORDER TO TAKE NOTICE

WHEREAS, § 38.2-1040 of the Code of Virginia provides, inter alia, that the Commission may suspend or revoke the license of any insurance company to transact the business of insurance in the Commonwealth of Virginia whenever the Commission finds that the company is insolvent, or is in a condition that any further transaction of business in this Commonwealth is hazardous to its policyholders, creditors, and public in this Commonwealth;

WHEREAS, for reasons stated in an order entered herein April 15, 1998, the Commission suspended the license of The Centennial Life Insurance Company, a foreign corporation domiciled in the State of Kansas, and licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia ("Defendant");

WHEREAS, by Final Order of Liquidation entered May 27, 1998, in the District Court of Shawnee County, Kansas, in Case No. 98CV144, Defendant was declared insolvent, and the Commissioner of Insurance for the State of Kansas was appointed the Liquidator of Defendant and directed to liquidate the business and affairs of Defendant; and

WHEREAS, the Bureau of Insurance has recommended that Defendant's license to transact the business of insurance in the Commonwealth of Virginia be revoked;

THEREFORE, IT ORDERED THAT Defendant TAKE NOTICE that the Commission shall enter an order subsequent to July 20, 1998, revoking the license of Defendant to transact the business of insurance in the Commonwealth of Virginia unless on or before July 20, 1998, Defendant files with the Clerk of the Commission, Document Control Center, P.O. Box 2118, Richmond, Virginia 23218, a request for a hearing before the Commission with respect to the proposed revocation of Defendant's license.

CASE NO. INS980080
JULY 21, 1998

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
THE CENTENNIAL LIFE INSURANCE COMPANY,
Defendant

ORDER REVOKING LICENSE

WHEREAS, for the reasons stated in an order entered herein July 6, 1998, Defendant was ordered to take notice that the Commission would enter an order subsequent to July 20, 1998, revoking the license of the Defendant to transact the business of insurance in the Commonwealth of Virginia unless on or before July 20, 1998, Defendant filed with the Clerk of the Commission a request for a hearing before the Commission to contest the proposed revocation of Defendant's license; and

WHEREAS, Defendant failed to file a request to be heard before the Commission with respect to the proposed revocation of Defendant's license;

THEREFORE, IT IS ORDERED THAT:

(1) Pursuant to § 38.2-1040 of the Code of Virginia, the license of Defendant to transact the business of insurance in the Commonwealth of Virginia be, and it is hereby, REVOKED;

(2) Defendant shall issue no new contracts or policies of insurance in the Commonwealth of Virginia;

(3) The appointments of Defendant's agents to act on behalf of Defendant in the Commonwealth of Virginia be, and they are hereby, REVOKED;

(4) The Bureau of Insurance shall cause an attested copy of this order to be sent to each of Defendant's agents appointed to act on behalf of Defendant in the Commonwealth of Virginia as notice of the revocation of such agent's appointment; and

(5) The Bureau of Insurance shall cause notice of the revocation of Defendant's license to be published in the manner set forth in § 38.2-1043 of the Code of Virginia.

CASE NO. INS980082
APRIL 28, 1998

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
TIMOTHY ALAN MCCREADY,
Defendant

ORDER REVOKING LICENSE

IT APPEARING from an investigation by the Bureau of Insurance that Defendant, duly licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia as an insurance agent, in certain instances, violated §§ 38.2-512 and 38.2-1826 of the Code of Virginia, as well as the Cease and Desist Order entered by the Commission in Case No. INS970012 by making a false or fraudulent statement or representation on or relative to an application for an insurance policy for the purpose of obtaining a fee, commission, money, or other benefit from any insurer, agent, broker, or individual and by failing to report within thirty days to the Commission any change in his residence or name;

IT FURTHER APPEARING that the Commission is authorized by §§ 38.2-218, 38.2-219 and 38.2-1831 of the Code of Virginia to impose certain monetary penalties, issue cease and desist orders and to suspend or revoke Defendant's license upon a finding by the Commission, after notice and hearing, that Defendant has committed the aforesaid alleged violations;

IT FURTHER APPEARING that Defendant has been notified of Defendant's right to a hearing before the Commission in this matter by certified letter dated April 6, 1998, and mailed to the Defendant's address shown in the records of the Bureau of Insurance;

IT FURTHER APPEARING that Defendant, having been advised in the aforesaid manner of his right to a hearing in this matter, has failed to request a hearing and has not otherwise communicated with the Bureau of Insurance;

IT FURTHER APPEARING that the Bureau of Insurance, upon Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking all of Defendant's licenses to transact the business of insurance in the Commonwealth of Virginia as an insurance agent; and

THE COMMISSION is of the opinion and finds that Defendant has violated §§ 38.2-512 and 38.2-1826 of the Code of Virginia, as well as the Cease and Desist Order entered by the Commission in Case No. INS970012 by making a false or fraudulent statement or representation on or relative to an application for an insurance policy for the purpose of obtaining a fee, commission, money, or other benefit from any insurer, agent, broker, or individual and by failing to report within thirty days to the Commission any change in his residence or name;

THEREFORE, IT IS ORDERED THAT:

(1) The licenses of Defendant to transact the business of insurance as an agent in the Commonwealth of Virginia be, and they are hereby, revoked;

(2) All appointments issued under said licenses be, and they are hereby, void;

(3) Defendant transact no further business in the Commonwealth of Virginia as an insurance agent;

(4) Defendant shall not apply to the Commission to be licensed as an insurance agent in the Commonwealth of Virginia prior to two (2) years from the date of this order;

(5) The Bureau of Insurance cause a copy of this order to be sent to every insurance company for which Defendant holds an appointment to act as an insurance agent in the Commonwealth of Virginia; and

(6) The papers herein be placed in the file for ended causes.

CASE NO. INS980090
SEPTEMBER 15, 1998

PETITION OF
R. JAMES AND RANDY COURTICE

For a review of HOW Insurance Company, Home Warranty Corporation and Home Owners Warranty Corporation Deputy Receiver's Determination of Appeal

ORDER

On October 14, 1994, the Circuit Court of the City of Richmond, Virginia, entered an order appointing the State Corporation Commission ("Commission") the Receiver of the HOW Insurance Company, Home Warranty Corporation and Home Owners Warranty Corporation ("HOW Companies" or "HOW"). The receivership order granted the Commission authority to proceed with the rehabilitation or liquidation of the HOW Companies and established a "Receivership Appeal Procedure" to govern any appeals or challenges to any decisions rendered by the Receiver or the Receiver's duly authorized representatives.

On April 27, 1998, R. James and Randy Courtice ("Petitioners") filed a Petition for Review ("Petition") with the Commission contesting the Deputy Receiver's Determination of Appeal in Claim No. 3156093. Petitioners requested reimbursement from HOW of $3,473.50 for repairs to and damage resulting from failure of the main sewer line between their home, located at 1576 Promontory Ridge Way, Vista, California, and the street. The Determination of Appeal issued on April 3, 1998 denied Petitioners' claim for sewer pipe damage since such damage did not constitute a major structural defect.

By Order dated May 14, 1998, the Commission docketed the Petition, assigned the matter to a Hearing Examiner, and directed the Deputy Receiver to file an Answer or other responsive pleading to the Petition on or before June 26, 1998.

On June 26, 1998, the Deputy Receiver filed a Motion to Dismiss and Answer to Petition for Review and a Memorandum in Support of Motion to Dismiss. Therein, the Deputy Receiver contended, inter alia, that: (i) The Petition was not timely filed with the Commission according to the requirements set forth in the HOW Insurance/Warranty documents; and (ii) Petitioners failed to make an allegation sufficient to constitute a major structural defect under the HOW program coverage in effect at the time this claim was filed.

By Hearing Examiner's Rulings dated June 29, 1998 and July 20, 1998, Petitioners were afforded an opportunity to file a response to the Deputy Receiver's Motion to Dismiss. Petitioners filed their response to the Motion to Dismiss on July 24, 1998 in which they set forth several grounds under California law to rebut the Deputy Receiver's untimeliness and non-major structural defect allegations.

After reviewing the pleadings submitted in this case, the Hearing Examiner made the following findings and recommendations:

(i) Petitioners' home in Vista, California, was enrolled in the HOW program by Homes by Tara, the builder, on or about December 31, 1987;

(ii) The applicable Builder's Limited Warranty period which covers the plumbing system, in this case, expired in 1989;

(iii) Petitioners' claim for repairs to and damage resulting from the failure of the main sewer line between the house and the street was received by HOW on December 29, 1997;

(iv) Petitioners' claim was submitted nearly eight (8) years after the expiration of the HOW Builder's Limited Warranty;

(v) Petitioners' claim is time-barred by the express contractual provisions of the HOW program;

(vi) Damage to the plumbing system, of which the sewer lines are clearly a part, is expressly excluded from coverage as a major structural defect;

(vii) Petitioners' claim of a latent defect is without merit, because the Commission has held that there is "no provision in the warranty document for exceptions or waivers of the notice requirements, even in the case of a latent defect";

(viii) Petitioners' argument that their claim was timely filed under California law is also without merit;

(ix) The Commission should enter an order adopting his findings, affirming the Deputy Receiver's denial of Petitioners' claim, and dismissing this case and passing the papers herein to the file for ended causes.

Upon consideration of the pleadings and the Hearing Examiner's Report, the Commission is of the opinion and so finds that the Hearing Examiner's findings and recommendations should be adopted.

Accordingly, IT IS ORDERED THAT:

(1) The Petition of R. James and Randy Courtice for review of the Deputy Receiver's Determination of Appeal be, and it is hereby, DENIED;

(2) The Deputy Receiver's Determination of Appeal issued in Claim No. 3156093, on April 3, 1998, be, and it is hereby, AFFIRMED; and

(3) The case is dismissed and the papers herein be passed to the file for ended causes.

CASE NO. INS980094
JUNE 10, 1998

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
KAISER FOUNDATION HEALTH PLAN OF THE MID-ATLANTIC STATES, INC.,
Defendant

SETTLEMENT ORDER

IT APPEARING from a market conduct examination performed by the Bureau of Insurance that Defendant, duly licensed by the Commission to transact the business of a health maintenance organization in the Commonwealth of Virginia, in certain instances, violated Subsection 1 of § 38.2-502 and Subsection 7 b (1) of § 38.2-606 and §§ 38.2-316 B, 38.2-316 C, 38.2-503, 38.2-510 A 5, 38.2-510 A 6, 38.2-510 A 10, 38.2-511, 38.2-604 A 1, 38.2-610 A, 38.2-1812 A, 38.2-1822 A, 38.2-1833 A 1, 38.2-1834 C, 38.2-3407.4, 38.2-3407.11, 38.2-3431 D, 38.2-4301 C, 38.2-4306 B 1, 38.2-4306.1, 38.2-4308, 38.2-4312, and 38.2-4313 of the Code of Virginia, as well as 14 VAC 5-90-50 A, 14 VAC 5-90-50 B, 14 VAC 5-90-60 A 1, 14 VAC-5-90-60 A 2, 14 VAC 5-90-60 B 3, 14 VAC 5-90-90 A, 14 VAC 5-90-90 C, 14 VAC 5-90-130 A, 14 VAC 5-210-50 C, 14 VAC 5-210-70 A, 14 VAC 5-210-70 C, 14 VAC 5-210-70 H, 14 VAC 5-210-80 B 2, 14 VAC 5-210-90 A 1 b, 14 VAC 5-210-100 A, 14 VAC 5-210-100 B 17, and 14 VAC 5-210-110 B;

IT FURTHER APPEARING that the Commission is authorized by §§ 38.2-218, 38.2-219 and 38.2-4316 of the Code of Virginia to impose certain monetary penalties, issue cease and desist orders and to suspend or revoke Defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that Defendant has committed the aforesaid alleged violations;

IT FURTHER APPEARING that Defendant has been advised of its right to a hearing in this matter, whereupon Defendant, without admitting any violation of Virginia law, has made an offer of settlement to the Commission wherein Defendant has tendered to the Commonwealth of Virginia the sum of one hundred seventeen thousand dollars ($117,000), has waived its right to a hearing, and has agreed to the entry by the Commission of a cease and desist order; and

IT FURTHER APPEARING that the Bureau of Insurance has recommended that the Commission accept the offer of settlement of Defendant pursuant to the authority granted the Commission in § 12.1-15 of the Code of Virginia,

IT IS ORDERED THAT:

(1) The offer of Defendant in settlement of the matter set forth herein be, and it is hereby, accepted;

(2) Defendant cease and desist from any conduct which constitutes a violation of Subsection 1 of § 38.2-502 and Subsection 7 b (1) of § 38.2-606 and §§ 38.2-316 B, 38.2-316 C, 38.2-503, 38.2-510 A 5, 38.2-510 A 6, 38.2-510 A 10, 38.2-511, 38.2-604 A 1, 38.2-610 A, 38.2-1812 A, 38.2-1822 A, 38.2-1833 A 1, 38.2-1834 C, 38.2-3407.4, 38.2-3407.11, 38.2-3431 D, 38.2-4301 C, 38.2-4306 B 1, 38.2-4306.1, 38.2-4308, 38.2-4312, and 38.2-4313 of the Code of Virginia, as well as 14 VAC 5-90-50 A, 14 VAC 5-90-50 B, 14 VAC 5-90-60 A 1, 14 VAC-5-90-60 A 2, 14 VAC 5-90-60 B 3, 14 VAC 5-90-90 A, 14 VAC 5-90-90 C, 14 VAC 5-90-130 A, 14 VAC 5-210-50 C, 14 VAC 5-210-70 A, 14 VAC 5-210-70 C, 14 VAC 5-210-70 H, 14 VAC 5-210-80 B 2, 14 VAC 5-210-90 A 1 b, 14 VAC 5-210-100 A, 14 VAC 5-210-100 B 17, and 14 VAC 5-210-110 B; and

(3) The papers herein be placed in the file for ended causes.

CASE NO. INS980096
JUNE 2, 1998

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
VIRGINIA MUTUAL INSURANCE COMPANY,
Defendant

SETTLEMENT ORDER

IT APPEARING from a market conduct examination performed by the Bureau of Insurance that Defendant, duly licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia, in certain instances, violated §§ 38.2-231, 38.2-304, 38.2-305, 38.2-510 A 6, 38.2-511, 348.2-1812, 38.2-1904, 38.2-1906, 38.2-2014, 38.2-2114, 38.2-2208, 38.2-2212, and 38.2-2220 of the Code of Virginia, as well as 14 VAC 5-400-50 D;

IT FURTHER APPEARING that the Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1040 of the Code of Virginia to impose certain monetary penalties, issue cease and desist orders and to suspend or revoke Defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that Defendant has committed the aforesaid alleged violations;

IT FURTHER APPEARING that Defendant has been advised of its right to a hearing in this matter, whereupon Defendant, without admitting any violation of Virginia law, has made an offer of settlement to the Commission wherein Defendant has tendered to the Commonwealth of Virginia the sum of six thousand dollars ($6,000), and has waived its right to a hearing; and

IT FURTHER APPEARING that the Bureau of Insurance has recommended that the Commission accept the offer of settlement of Defendant pursuant to the authority granted the Commission in § 12.1-15 of the Code of Virginia,

IT IS ORDERED THAT:

(1) The offer of Defendant in settlement of the matter set forth herein be, and it is hereby, accepted; and

(2) The papers herein be placed in the file for ended causes.

CASE NO. INS980097
JUNE 2, 1998

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
MARYLAND CASUALTY COMPANY, ASSURANCE COMPANY OF AMERICA,
NORTHERN INSURANCE COMPANY OF NEW YORK
and
VALIANT INSURANCE COMPANY,
Defendant

SETTLEMENT ORDER

IT APPEARING from a market conduct examination performed by the Bureau of Insurance that Defendants, duly licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia, in certain instances, violated the Code of Virginia to wit: Maryland Casualty Company violated § 38.2-231, 38.2-304, 38.2-1318, 38.2-1904, 38.2-1906 B, 38.2-2014, 38.2-2220 and 38.2-2223 of the Code of Virginia; Assurance Company of America violated §§ 38.2-231, 38.2-304, 38.2-317, 38.2-1833, 38.2-1904, 38.2-1906 B, 38.2-2014, 38.2-2220 and 38.2-2223 of the Code of Virginia; Northern Insurance Company of New York violated §§ 38.2-231, 38.2-304, 38.2-1833, 38.2-1906 B, 38.2-2014, 38.2-2220, and 38.2-2223 of the Code of Virginia; and Valiant Insurance Company violated §§ 38.2-231, 38.2-1833, 38.2-1904, 38.2-1906 B, 38.2-2014, 38.2-2220, and 38.2-2223 of the Code of Virginia;

IT FURTHER APPEARING that the Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1040 of the Code of Virginia to impose certain monetary penalties, issue cease and desist orders and to suspend or revoke Defendants' licenses upon a finding by the Commission, after notice and opportunity to be heard, that Defendants have committed the aforesaid alleged violations;

IT FURTHER APPEARING that Defendants have been advised of their right to a hearing in this matter, whereupon Defendants, without admitting any violation of Virginia law, have made an offer of settlement to the Commission wherein Defendants have tendered to the Commonwealth of Virginia the sum of twenty-nine thousand dollars ($29,000), have waived their right to a hearing, and have agreed to the entry by the Commission of a cease and desist order; and

IT FURTHER APPEARING that the Bureau of Insurance has recommended that the Commission accept the offer of settlement of Defendants pursuant to the authority granted the Commission in § 12.1-15 of the Code of Virginia,

IT IS ORDERED THAT:

(1) The offer of Defendants in settlement of the matter set forth herein be, and it is hereby, accepted;

(2) Maryland Casualty Company cease and desist from any conduct which constitutes a violation of §§ 38.2-231, 38.2-304, 38.2-1318, 38.2-1904, 38.2-1906 B, 38.2-2014, 38.2-2220, and 38.2-2223 of the Code of Virginia;

(3) Assurance Company of America cease and desist from any conduct which constitutes a violation of §§ 38.2-231, 38.2-304, 38.2-317, 38.2-1833, 38.2-1904, 38.2-1906 B, 38.2-2014, 38.2-2220, and 38.2-2223 of the Code of Virginia;

(4) Northern Insurance Company of New York cease and desist from any conduct which constitutes a violation of §§ 38.2-231, 38.2-304, 38.2-1833, 38.2-1906 B, 38.2-2014, 38.2-2220, and 38.2-2223 of the Code of Virginia;

(5) Valiant Insurance Company cease and desist from any conduct which constitutes a violation of §§ 38.2-231, 38.2-1833, 38.2-1904, 38.2-1906 B, 38.2-2014, 38.2-2220, and 38.2-2223 of the Code of Virginia; and

(6) The papers herein be placed in the file for ended causes.

CASE NO. INS980102
JUNE 11, 1998

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
INVESTORS CONSOLIDATED INSURANCE COMPANY,
Defendant

SETTLEMENT ORDER

IT APPEARING from a market conduct examination performed by the Bureau of Insurance that Defendant, duly licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia, in certain instances, violated Subsection 1 of § 38.2-502 and § 38.2-503 of the Code of Virginia, as well as 14 VAC 5-90-40, 14 VAC 5-90-60 A 1, 14 VAC 5-90-60 A 2, 14 VAC 5-90-60 A 7, 14 VAC 5-90-60 B 1, 14 VAC 5-90-60 B 2, 14 VAC 5-90-90 A, 14 VAC 5-90-90 C, 14 VAC 5-90-100 A, 14 VAC 5-90-110, 14 VAC 5-90-130, 14 VAC 5-90-160, and 14 VAC 5-90-170;

IT FURTHER APPEARING that the Commission is authorized by §§ 38.2-218, 38.2-219 and 38.2-1040 of the Code of Virginia to impose certain monetary penalties, issue cease and desist orders and to suspend or revoke Defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that Defendant has committed the aforesaid alleged violations;

IT FURTHER APPEARING that Defendant has been advised of its right to a hearing in this matter, whereupon Defendant, without admitting any violation of Virginia law, has made an offer of settlement to the Commission wherein Defendant has tendered to the Commonwealth of Virginia the sum of ten thousand dollars ($10,000), and has waived its right to a hearing; and

IT FURTHER APPEARING that the Bureau of Insurance has recommended that the Commission accept the offer of settlement of Defendant pursuant to the authority granted the Commission in § 12.1-15 of the Code of Virginia,

IT IS ORDERED THAT:

(1) The offer of Defendant in settlement of the matter set forth herein be, and it is hereby, accepted; and

(2) The papers herein be placed in the file for ended causes.

CASE NO. INS980105
JUNE 2, 1998

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
COMMERCIAL COMPENSATION INSURANCE COMPANY,
Defendant

IMPAIRMENT ORDER

WHEREAS, Commercial Compensation Insurance Company, a foreign corporation domiciled in the State of New York and licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia, is required to maintain minimum capital of $1,000,000 and minimum surplus of $3,000,000;

WHEREAS, § 38.2-1036 of the Code of Virginia provides, inter alia, that if the Commission finds an impairment of the required minimum surplus of any foreign insurer, the Commission may order the insurer to eliminate the impairment and restore the minimum surplus to the amount required by law and may prohibit the insurer from issuing any new policies in the Commonwealth of Virginia while the impairment of its surplus exists; and

WHEREAS, the March 31, 1998 Quarterly Statement of Defendant, filed with the Commission's Bureau of Insurance, indicates capital of $5,000,000, and surplus of $1,609,536;

IT IS ORDERED that, on or before August 3, 1998, Defendant eliminate the impairment in its surplus and restore the same to at least $3,000,000 and advise the Commission of the accomplishment thereof by affidavit of Defendant's president or other authorized officer.

IT IS FURTHER ORDERED that Defendant shall issue no new contracts or policies of insurance in the Commonwealth of Virginia while the impairment of Defendant's surplus exists and until further order of the Commission.

CASE NO. INS980105
JUNE 23, 1998

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
COMMERCIAL COMPENSATION INSURANCE COMPANY,
Defendant

FINAL ORDER

WHEREAS, by order entered June 2, 1998, Defendant was ordered to eliminate the impairment in its surplus and restore the same to at least $3,000,000 and advise the Commission of the accomplishment thereof by affidavit of Defendant's president or other authorized officer;

WHEREAS, by affidavit of Defendant's Vice President of Finance and Treasurer dated June 2, 1998, and filed with the Commission on June 16, 1998, the Commission was advised that, as of May 28, 1998, Defendant restored its surplus to policyholders to at least $3,000,000; and

WHEREAS, the Bureau of Insurance has recommended that the Impairment Order entered by the Commission be vacated;

THE COMMISSION, having considered the record herein and the recommendation of the Bureau of Insurance, is of the opinion that the Impairment Order entered by the Commission should be, and it is hereby, VACATED.

CASE NO. INS980106
JUNE 2, 1998

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
THE COMMONWEALTH NATIONAL LIFE INSURANCE COMPANY,
Defendant

IMPAIRMENT ORDER

WHEREAS, The Commonwealth National Life Insurance Company, a foreign corporation domiciled in the State of Mississippi and licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia, is required to maintain minimum capital of $1,000,000 and minimum surplus of $3,000,000;

WHEREAS, § 38.2-1036 of the Code of Virginia provides, inter alia, that if the Commission finds an impairment of the required minimum surplus of any foreign insurer, the Commission may order the insurer to eliminate the impairment and restore the minimum surplus to the amount required by law and may prohibit the insurer from issuing any new policies in the Commonwealth of Virginia while the impairment of its surplus exists; and

WHEREAS, the March 31, 1998 Quarterly Statement of Defendant, filed with the Commission's Bureau of Insurance, indicates capital of $1,479,506, and surplus of $755,964;

IT IS ORDERED that, on or before August 3, 1998, Defendant eliminate the impairment in its surplus and restore the same to at least $3,000,000 and advise the Commission of the accomplishment thereof by affidavit of Defendant's president or other authorized officer.

IT IS FURTHER ORDERED that Defendant shall issue no new contracts or policies of insurance in the Commonwealth of Virginia while the impairment of Defendant's surplus exists and until further order of the Commission.

CASE NO. INS980106
AUGUST 5, 1998

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
THE COMMONWEALTH NATIONAL LIFE INSURANCE COMPANY,
Defendant

ORDER TO TAKE NOTICE

WHEREAS, § 38.2-1040 of the Code of Virginia provides, inter alia, that the Commission may suspend or revoke the license of any insurance company to transact the business of insurance in the Commonwealth of Virginia whenever the Commission finds that the company is insolvent, or is in a condition that any further transaction of business in this Commonwealth is hazardous to its policyholders, creditors, and public in this Commonwealth;

WHEREAS, by order entered herein June 2, 1998, Defendant was ordered to eliminate the impairment in its surplus and restore the same to at least $3,000,000 and advise the Commission of the accomplishment thereof by affidavit of Defendant's president or other authorized officer on or before August 3, 1998; and

WHEREAS, as of the date of this order, Defendant has failed to eliminate the impairment in its surplus;

THEREFORE, IT IS ORDERED that Defendant TAKE NOTICE that the Commission shall enter an order subsequent to August 17, 1998, suspending the license of Defendant to transact the business of insurance in the Commonwealth of Virginia unless on or before August 17, 1998, Defendant files with the Clerk of the Commission, Document Control Center, P.O. Box 2118, Richmond, Virginia 23218, a request for a hearing before the Commission with respect to the proposed suspension of Defendant's license.

CASE NO. INS980106
AUGUST 20, 1998

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
THE COMMONWEALTH NATIONAL LIFE INSURANCE COMPANY,
Defendant

ORDER SUSPENDING LICENSE

WHEREAS, for Defendant's failure to maintain the statutorily required surplus of at least $3,000,000, Defendant was ordered to take notice that the Commission would enter an order subsequent to August 17, 1998, suspending the license of Defendant to transact the business of insurance in the Commonwealth of Virginia unless on or before August 17, 1998, Defendant filed with the Clerk of the Commission a request for a hearing before the Commission to contest the proposed suspension of Defendant's license; and

WHEREAS, as of the date of this Order, Defendant has not filed a request to be heard before the Commission with respect to the proposed suspension of Defendant's license;

THEREFORE, IT IS ORDERED THAT:

(1) Pursuant to § 38.2-1040 of the Code of Virginia, the license of Defendant to transact the business of insurance in the Commonwealth of Virginia be, and it is hereby, SUSPENDED;

(2) Defendant shall issue no new contract or policies of insurance in the Commonwealth of Virginia until further order of the Commission;

(3) The appointments of Defendant's agents to act on behalf of Defendant in the Commonwealth of Virginia be, and they are hereby, SUSPENDED;

(4) Defendant's agents shall transact no new insurance business on behalf of Defendant in the Commonwealth of Virginia until further order of the Commission;

(5) The Bureau of Insurance shall cause an attested copy of this Order to be sent to each of Defendant's agents appointed to act on behalf of Defendant in the Commonwealth of Virginia as notice of the suspension of such agent's appointment; and

(6) The Bureau of Insurance shall cause notice of the suspension of Defendant's license to be published in the manner set forth in § 38.2-1043 of the Code of Virginia.

CASE NO. INS980108
AUGUST 5, 1998

PETITION OF:
SNL SECURITIES LC

For declaratory and other relief pursuant to Commission Rules 3:4 and 5:3 and Virginia Code § 8.01-184

FINAL ORDER

On June 2, 1998, the Petitioner, SNL Securities LC ("SNL"), filed a Petition with the Commission requesting relief under both the Commission's Rules of Practice and Procedure and statute. The relief sought is a declaration that the Bureau of Insurance ("Bureau") be required to make available to SNL, in electronic or computer readable format, annual and quarterly statements of financial condition that insurers licensed to do business in Virginia file with the Bureau, or the National Association of Insurance Commissioners ("NAIC").

SNL alleges as grounds for the relief sought that both the Virginia Freedom of Information Act ("FOIA") and § 38.2-1306 of the Code of Virginia require the information requested be provided by the Bureau. The Petition also states that NAIC, which has the requested information in the preferred format, is an agent of the Bureau, and as such, is bound by the same statutes.

The Bureau filed a "Motion to Dismiss and Answer Subject Thereto" in which it is alleged that the FOIA does not apply to the Commission, but admitting that § 38.2-1306 of the Code requires the Commission to allow SNL copies of the reports requested. The Bureau, however, contends that since the subject reports are not filed with the Commission in a computer readable format, there is no duty, or ability, to supply the reports in this form. Further, the Bureau states that the NAIC has no agency relationship with the Commission to act as a remote repository of the requested records.

SNL filed an Opposition to the Bureau's Motion to Dismiss which extensively briefs the matters of law involved herein.

To that pleading, the Bureau filed a Reply which asserts that on May 14, 1998, SNL filed a Petition for Injunction in the Circuit Court of Jackson County, Missoui, against the National Association of Insurance Commissioners and Jay Angoff, Director, Missouri Department of Insurance, a member of the National Association of Insurance Commissioners, Cause No. 98-V-8933. The relief sought in that proceeding is essentially the same as SNL seeks here.

This record discloses no issue of material fact in genuine dispute between SNL and the Bureau. The issues of law have been extensively briefed. SNL's request that a hearing or oral argument be scheduled in this matter is DENIED.

Clearly, there is no justiciable controversy existing between SNL and the Bureau insofar as the right of this Petitioner to inspect and copy reports of insurance companies filed with and in possession of the Bureau. The Bureau has readily admitted that § 38.2-1306 grants the right of inspection and copying those documents. However, such is not the objective of this proceeding. It is through the Bureau on an agency theory that SNL seeks access to machine-readable annual and quarterly financial statements of insurance companies which are physically in the possession of NAIC, an organization which is not a party in this proceeding. Curiously, SNL asserts that it "has no adequate remedy at law," yet weeks prior to the filing of its Petition here, it had commenced the proceeding directly against NAIC in Missouri, the state in which its principal place of business is headquartered.

Whether this Commission might acquire jurisdiction over NAIC is not known. It is known, however, that SNL has not attempted to make NAIC a party herein.

We find that NAIC is a necessary party to this proceeding, and its absence is not satisfied by the agency theory advanced by the Petitioner or by the participation of this Commonwealth through its Insurance Commissioner in the activities of NAIC. Furthermore, this Commission would be loath to take action involving the same subject matter which has come under the jurisdiction of the courts of a sister state through an antecedent proceeding.

Accordingly, IT IS ORDERED that:

1. The Bureau's Motion to Dismiss is granted;

2. This case is DISMISSED and the papers herein passed to the file for ended causes.

CASE NO. INS980110
JULY 7, 1998

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
INVESTORS CONSOLIDATED INSURANCE COMPANY,
Defendant

SETTLEMENT ORDER

IT APPEARING from an investigation and subsequent allegations by the Bureau of Insurance that Defendant, duly licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia, in certain instances, violated §§ 38.2-610, 38.2-1812, 38.2-1833, and 38.2-1835 of the Code of Virginia by failing to give to applicants for insurance written notice of an adverse underwriting decision in the form approved by the Commission, by accepting commissions without being properly licensed or appointed, by continuing to submit applications from the agency without the proper appointment, and by failing to appoint a licensed agent pursuant to the provisions of § 38.2-1833;

IT FURTHER APPEARING that the Commission is authorized by §§ 38.2-218, 38.2-219 and 38.2-1040 of the Code of Virginia to impose certain monetary penalties, issue cease and desist orders and to suspend or revoke Defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that Defendant has committed the aforesaid alleged violations;

IT FURTHER APPEARING that Defendant has been advised of its right to a hearing in this matter, whereupon Defendant, without admitting any violation of Virginia law, has made an offer of settlement to the Commission wherein Defendant has tendered to the Commonwealth of Virginia the sum of five thousand dollars ($5,000), has waived its right to a hearing, and has agreed to the entry by the Commission of a cease and desist order; and

IT FURTHER APPEARING that the Bureau of Insurance has recommended that the Commission accept the offer of settlement of Defendant pursuant to the authority granted the Commission in § 12.1-15 of the Code of Virginia.

IT IS ORDERED THAT:

(1) The offer of Defendant in settlement of the matter set forth herein be, and it is hereby, accepted;

(2) Defendant cease and desist from any conduct which constitutes a violation of §§ 38.2-610, 38.2-1812, 38.2-1833, and 38.2-1835 of the Code of Virginia; and

(3) The papers herein be placed in the file for ended causes.

CASE NO. INS980112
DECEMBER 17, 1998

PETITION OF
DEBRA L. CLARO

For review of HOW Insurance Company, Home Warranty Corporation, and Home Owners Warranty Corporation Deputy Receiver's Determination of Appeal

ORDER

On October 14, 1994, the Circuit Court of the City of Richmond, Virginia, entered an order appointing the State Corporation Commission ("Commission") the Receiver of the HOW Insurance Company, Home Warranty Corporation and Home Owners Warranty Corporation ("HOW Companies" or "HOW"). The Receivership Order granted the Commission the authority to proceed with the rehabilitation or liquidation of the HOW Companies and established a "Receivership Appeal Procedure" ("RAP") to govern appeals or challenges to any decisions rendered by the Receiver or the Receiver's duly authorized representatives.

On May 28, 1998, Debra L. Claro ("Petitioner") filed a Petition for Review ("Petition") with the Commission contesting the Deputy Receiver's Determination of Appeal in Claim No. 3535168-A. By order dated June 12, 1998, the Commission docketed the Petition, assigned the matter to a Hearing Examiner, and directed the Deputy Receiver to file an Answer or other responsive pleading to the Petition on or before July 17, 1998.

On July 16, 1998, the Deputy Receiver filed a Motion to Dismiss and Answer to Petition for Review, and a Memorandum in Support of Motion to Dismiss. Therein, the Deputy Receiver maintained, among other things, that the Petitioner's claims were time-barred by the express contractual provisions of the HOW Insurance/Warranty documents.

By Hearing Examiner's Ruling of July 20, 1998, Petitioner was given an opportunity to file a response to the Deputy Receiver's Motion to Dismiss on or before August 10, 1998. Petitioner filed no response.

After reviewing the filings submitted in the case, the Hearing Examiner made the following findings and recommendations:

(1) Petitioner filed her current claim with HOW in June, 1996;

(2) The current claim was denied on April 15, 1997;

(3) Petitioner appealed the denied claim to the Deputy Receiver on May 15, 1997;

(4) Deputy Receiver issued an Extension of Appeal letter to Petitioner on June 2, 1997;

(5) The Extension of Appeal letter extended the Deputy Receiver's time to determine the appeal by ninety days, to September 12, 1997, and informed Petitioner that, unless she received a Determination of Appeal from the Deputy Receiver by September 12, 1997, the appeal would be deemed automatically rejected;

(6) The Extension of Appeal letter further stated that Petitioner had thirty days from the earlier of the date of the Determination of Appeal or the date the appeal was deemed automatically rejected to challenge the Deputy Receiver's decision, and that failure to do so within the prescribed time would result in the decision becoming final and would irrevocably terminate her ability to appeal the decision in any forum;

(7) On September 12, 1997, Petitioner's appeal was deemed automatically rejected by the Deputy Receiver without the issuance of a Determination of Appeal;

(8) The RAP provides that any appeal of an automatic rejection must be filed with the Commission no later than thirty days after the expiration of the date to which the Extension of Appeal extended the time of response by the Deputy Receiver;

(9) Petitioner filed a Petition for Review with the Commission on May 28, 1998, more than seven months after the filing deadline;

(10) The Deputy Receiver's Motion to Dismiss should be granted; and

(11) The Commission should enter an order adopting his findings, granting the Deputy Receiver's Motion to Dismiss, and dismissing this matter from the Commission's docket of active cases.

Upon consideration of the filings submitted herein, the Commission is of the opinion that the Hearing Examiner's findings and recommendations should be adopted. Accordingly,

IT IS ORDERED THAT:

(1) The Deputy Receiver's Motion to Dismiss be, and it is hereby, GRANTED;

(2) The Petition of Debra L. Claro for review of the Deputy Receiver's Determination of Appeal in Claim No. 3535168-A be, and it is hereby, DENIED;

(3) The Deputy Receiver's Determination of Appeal issued in Claim No. 3535168-A be, and it is hereby, AFFIRMED; and

(4) The case is dismissed and the papers herein are passed to the file for ended causes.

CASE NO. INS980124
JULY 6, 1998

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION

Ex Parte, in re: In the matter of adopting an amended regulation applicable to settlement agents

ORDER TO TAKE NOTICE

WHEREAS, § 12.1-13 of the Code of Virginia provides that the Commission shall have the power to promulgate rules and regulations in the enforcement and administration of all laws within its jurisdiction, and § 6.1-2.25 of the Code of Virginia provides that the Commission may issue rules, regulations and orders consistent with and necessary to carry out the provisions of the Consumer Real Estate Settlement Protection Act (§ 6.1-2.19 et seq. of the Code of Virginia);

WHEREAS, the Bureau of Insurance has submitted to the Commission a proposed revised regulation entitled "Rules Governing Settlement Agents"; and

WHEREAS, the Commission is of the opinion that the proposed revised regulation should be adopted;

THEREFORE, IT IS ORDERED THAT:

(1) All interested persons TAKE NOTICE that the Commission shall enter an order subsequent to August 6, 1998, adopting the revised regulation proposed by the Bureau of Insurance unless on or before August 6, 1998, any person objecting to the adoption of such revised regulation files a request for a hearing, and in such request specifies in detail their objection to the adoption of the proposed revised regulation, with the Clerk of the Commission, Document Control Center, P.O. Box 2118, Richmond, Virginia 23218;

(2) An attested copy hereof, together with a copy of the proposed revised regulation, be sent by the Clerk of the Commission to the Virginia State Bar, the Virginia Real Estate Board, and the Bureau of Insurance in care of Deputy Commissioner Mary M. Bannister who shall forthwith give further notice of the proposed adoption of the revised regulation by mailing a copy of this order, together with a complete draft of the proposed revised regulation to all title insurance companies, title insurance agents, and title insurance agencies licensed in the Commonwealth of Virginia; and

(3) The Bureau of Insurance shall file with the Clerk of the Commission an affidavit of compliance with the notice requirements of paragraph (2) above.

NOTE: A copy of Attachment A entitled "Rules Governing Settlement Agents" is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

CASE NO. INS980124
AUGUST 7, 1998

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION

Ex Parte, in re: In the matter of adopting an amended regulation applicable to settlement agents

ORDER ADOPTING REGULATION

WHEREAS, by order entered herein July 6, 1998, all interested persons were ordered to take notice that the Commission would enter an order subsequent to August 6, 1998, adopting a revised regulation proposed by the Bureau of Insurance unless on or before August 6, 1998, any person objecting to the adoption of the revised regulation filed a request for a hearing with the Clerk of the Commission; and

WHEREAS, as of the date of this order, no request for a hearing has been filed with the Clerk of the Commission;

THEREFORE, IT IS ORDERED THAT:

(1) The revised regulation entitled "Rules Governing Settlement Agents" which is attached hereto and made a part hereof should be, and it is hereby, ADOPTED to be effective August 20, 1998.

(2) An attested copy hereof, together with a copy of the revised regulation, be sent by the Clerk of the Commission to the Virginia State Bar, the Virginia Real Estate Board, and the Bureau of Insurance in care of Deputy Commissioner Mary M. Bannister who shall forthwith give further notice of the revised regulation by mailing a copy of this order, together with a complete copy of the revised regulation to all title insurance companies, title insurance agents, and title insurance agencies licensed in the Commonwealth of Virginia;

(3) The Bureau of Insurance shall file with the Clerk of the Commission an affidavit of compliance with the notice requirements of paragraph (2) above.

NOTE: A copy of Attachment A entitled "Rules Governing Settlement Agents" is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

CASE NO. INS980124
AUGUST 14, 1998

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION

Ex Parte, in re: In the matter of adopting an amended regulation applicable to settlement agents

VACATING ORDER

GOOD CAUSE having been shown, the Order Adopting Regulation entered herein on August 7, 1998 is hereby VACATED.

CASE NO. INS980124
AUGUST 14, 1998

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION

Ex Parte, in re: In the matter of adopting an amended regulation applicable to settlement agents

AMENDED ORDER ADOPTING REGULATION

WHEREAS, by order entered herein July 6, 1998, all interested persons were ordered to take notice that the Commission would enter an order subsequent to August 6, 1998, adopting a revised regulation proposed by the Bureau of Insurance unless on or before August 6, 1998, any person objecting to the adoption of the revised regulation filed a request for a hearing with the Clerk of the Commission; and

WHEREAS, as of the date of this order, no request for a hearing has been filed with the Clerk of the Commission;

THEREFORE, IT IS ORDERED THAT:

(1) The revised regulation entitled "Rules Governing Settlement Agents" which is attached hereto as Exhibit A, consisting of six (6) pages, and made a part hereof should be, and it is hereby ADOPTED to be effective August 20, 1998.

(2) An attested copy hereof, together with a copy of the revised regulation, be sent by the Clerk of the Commission to the Virginia State Bar, the Virginia Real Estate Board, and the Bureau of Insurance in care of Deputy Commissioner Mary M. Bannister who shall forthwith give further notice of the revised regulation by mailing a copy of this order, together with a complete copy of the revised regulation to all title insurance companies, title insurance agents, and title insurance agencies licensed in the Commonwealth of Virginia;

(3) The Bureau of Insurance shall file with the Clerk of the Commission an affidavit of compliance with the notice requirements of paragraph (2) above.

NOTE: A copy of Attachment A entitled "Rules Governing Settlement Agents" is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

CASE NO. INS980139
SEPTEMBER 15, 1998

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
CAROLYN V. PENCE,
Defendant

SETTLEMENT ORDER AND INJUNCTION

IT APPEARING from an investigation and subsequent allegations by the Bureau that Defendant, in certain instances, has violated § 38.2-1822 of the Code of Virginia, as well as the order entered by the Commission in Case No. INS900174 by continuing, on numerous occasions, to act as an agent of an insurer licensed to transact the business of insurance in this Commonwealth when Defendant's license to transact the business of insurance had been revoked by the Commission;

IT FURTHER APPEARING that the Commission is authorized by §§ 38.2-218, 38.2-219 and 38.2-220 of the Code of Virginia to impose certain monetary penalties, issue cease and desist orders and to issue temporary and permanent injunctions restraining acts which violate or attempt to violate provisions of Title 38.2 of the Code of Virginia and to enforce its injunctions by civil penalty or imprisonment upon a finding by the Commission, after notice and opportunity to be heard, that Defendant has committed the aforesaid alleged violations;

IT FURTHER APPEARING that Defendant has been advised of her right to a hearing in this matter, whereupon Defendant, without admitting any violation of Virginia law, has made an offer of settlement to the Commission wherein Defendant (i) on or before December 31, 1998, has agreed to tender to the Commission the sum of three thousand five hundred dollars ($3,500); (ii) has agreed to the entry by the Commission of an injunction wherein, for a period of ten (10) years from the date hereof, Defendant is enjoined from "acting as an agent" in the Commonwealth of Virginia as that phrase is set forth and defined in § 38.2-1822 of the Code of Virginia; (iii) has agreed that, during the said ten (10) year injunctive period, Defendant shall not apply to the Bureau of Insurance to be licensed to transact the business of insurance as an agent or otherwise in the Commonwealth of Virginia; and (iv) has agreed not to have any ownership interest in, or be employed by, any insurance company or insurance agency licensed by the Bureau of Insurance; provided, however, Defendant is not precluded from owning shares of stock in any publicly traded company in which Defendant is not otherwise interested; and

IT FURTHER APPEARING that the Bureau of Insurance has recommended that the Commission accept the offer of settlement of Defendant pursuant to the authority granted the Commission in § 12.1-15 of the Code of Virginia.

NOW, THEREFORE, HAVING CONSIDERED the offer of settlement of Defendant and the recommendation of approval thereof of the Bureau of Insurance, and for good cause shown, the Commission is of the opinion that such offer should be accepted.

IT IS ORDERED THAT:

(1) The offer of Defendant in settlement of the matters hereinbefore set forth be, and it is hereby, ACCEPTED;

(2) On or before December 31, 1998, Defendant shall tender to the Commission the sum of three thousand five hundred dollars ($3,500) in settlement of the matters herein;

(3) Effective as of the date hereof and for a period of ten (10) years from the date hereof, Defendant is ENJOINED from "acting as an agent" in the Commonwealth of Virginia as that phrase is set forth and defined in § 38.2-1822 of the Code of Virginia;

(4) Effective as of the date hereof and for a period of ten (10) years from the date hereof, Defendant shall not apply to the Bureau of Insurance to be licensed to transact the business of insurance as an insurance agent or otherwise in the Commonwealth of Virginia; and

(5) Effective as of the date hereof and for a period of ten (10) years from the date hereof, Defendant shall not have any ownership interest in, or be employed by, any insurance company or insurance agency licensed by the Bureau of Insurance; provided, however, Defendant shall not be precluded from owning shares of stock in any publicly traded company in which Defendant is not otherwise interested.

CASE NO. INS980148
JULY 31, 1998

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
UNITED BENEFIT LIFE INSURANCE COMPANY,
Defendant

ORDER TO TAKE NOTICE

WHEREAS, § 38.2-1040 of the Code of Virginia provides, inter alia, that the Commission may suspend or revoke the license of any insurance company to transact the business of insurance in the Commonwealth of Virginia whenever the Commission finds that the company is insolvent, or is in a condition that any further transaction of business in this Commonwealth is hazardous to its policyholders, creditors, and public in this Commonwealth;

WHEREAS, pursuant to § 38.2-1301 of the Code of Virginia, 14 VAC 5-270-40, and 14 VAC 5-270-50, Defendant was required to file its 1997 Annual Audited Financial Statement with the Commission on or before June 1, 1998;

WHEREAS, Defendant failed to file timely with the Commission its 1997 Annual Audited Financial Statement and has yet to file as of the date of this Order; and

THEREFORE, IT IS ORDERED that Defendant TAKE NOTICE that the Commission shall enter an order subsequent to August 11, 1998, suspending the license of Defendant to transact the business of insurance in the Commonwealth of Virginia unless on or before August 11, 1998, Defendant files with the Clerk of the Commission, Document Control Center, P.O. Box 2118, Richmond, Virginia 23218, a request for a hearing before the Commission with respect to the proposed suspension of Defendant's license.

CASE NO. INS980148
SEPTEMBER 15, 1998

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
UNITED BENEFIT LIFE INSURANCE COMPANY,
Defendant

VACATING ORDER

GOOD CAUSE having been shown, the Order to Take Notice entered herein July 31, 1998, is hereby vacated.

CASE NO. INS980148
SEPTEMBER 15, 1998

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
UNITED BENEFIT LIFE INSURANCE COMPANY,
Defendant

IMPAIRMENT ORDER

WHEREAS, United Benefit Life Insurance Company, a foreign corporation domiciled in the State of Indiana and licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia, is required to maintain minimum capital of $1,000,000 and minimum surplus of $3,000,000;

WHEREAS, § 38.2-1036 of the Code of Virginia provides, inter alia, that if the Commission finds an impairment of the required minimum surplus of any foreign insurer, the Commission may order the insurer to eliminate the impairment and restore the minimum surplus to the amount required by law and may prohibit the insurer from issuing any new policies in the Commonwealth of Virginia while the impairment of its surplus exists;

WHEREAS, the June 30, 1998 Statement of Defendant, filed with the Commission's Bureau of Insurance, indicates capital of $1,500,000, and surplus of $10,229,456;

WHEREAS, the 1997 Annual Audited Financial Statement of Defendant, filed with the Commission's Bureau of Insurance on August 31, 1998, indicates that Defendant's policy and claim reserves were understated by an amount in the range of $11,000,000 to $12,300,000 as of December 31, 1997;

WHEREAS, no adjustment of such understatement was reflected in Defendant's June 30, 1998 Quarterly Statement; and

WHEREAS, after making the adjustment for the understatement of Defendant's policy and claim reserves, Defendant's surplus as of June 30, 1998, is negative (-)$770,544, the reported surplus of $10,229,456 minus an understatement of $11,000,000;

IT IS ORDERED that, on or before November 16, 1998, Defendant eliminate the impairment in its surplus and restore the same to at least $3,000,000 and advise the Commission of the accomplishment thereof by affidavit of Defendant's president or other authorized officer.

IT IS FURTHER ORDERED that Defendant shall issue no new contracts or policies of insurance in the Commonwealth of Virginia while the impairment of Defendant's surplus exists and until further order of the Commission.

CASE NO. INS980148
NOVEMBER 19, 1998

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
UNITED BENEFIT LIFE INSURANCE COMPANY,
Defendant

ORDER TO TAKE NOTICE

WHEREAS, § 38.2-1040 of the Code of Virginia provides, inter alia, that the Commission may suspend or revoke the license of any insurance company to transact the business of insurance in the Commonwealth of Virginia whenever the Commission finds that the company is insolvent, or is in a condition that any further transaction of business in this Commonwealth is hazardous to its policyholders, creditors, and public in this Commonwealth;

WHEREAS, by order entered herein September 15, 1998, Defendant was ordered to eliminate the impairment in its surplus and restore the same to at lease $3,000,000 and advise the Commission of the accomplishment thereof by affidavit of Defendant's president or other authorized officer on or before November 16, 1998; and

WHEREAS, as of November 16, 1998, Defendant had failed to advise the Commission of the elimination of the impairment in its surplus;

THEREFORE, IT IS ORDERED that Defendant TAKE NOTICE that the Commission shall enter an order subsequent to December 1, 1998, suspending the license of Defendant to transact the business of insurance in the Commonwealth of Virginia unless on or before December 1, 1998, Defendant files with the Clerk of the Commission, Document Control Center, P.O. Box 2118, Richmond, Virginia 23218, a request for a hearing before the Commission with respect to the proposed suspension of Defendant's license.

CASE NO. INS980152
SEPTEMBER 23, 1998

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
CONTINENTAL CASUALTY COMPANY,
Defendant

SETTLEMENT ORDER

IT APPEARING from an investigation and subsequent allegations by the Bureau of Insurance that Defendant, duly licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia, in certain instances, violated § 38.2-610 of the Code of Virginia by failing to give to applicants for insurance written notice of an adverse underwriting decision in the form approved by the Commission;

IT FURTHER APPEARING that the Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1040 of the Code of Virginia to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke Defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that Defendant has committed the aforesaid alleged violation;

IT FURTHER APPEARING that Defendant has been advised of its right to a hearing in this matter, whereupon Defendant, without admitting any violation of Virginia law, has made an offer of settlement to the Commission wherein Defendant has tendered to the Commonwealth of Virginia the sum of ten thousand dollars ($10,000), waived its right to a hearing, and agreed to the entry by the Commission of a cease and desist order; and

IT FURTHER APPEARING that the Bureau of Insurance has recommended that the Commission accept the offer of settlement of Defendant pursuant to the authority granted the Commission in § 12.1-15 of the Code of Virginia,

IT IS ORDERED THAT:

(1) The offer of Defendant in settlement of the matter set forth herein be, and it is hereby, accepted;

(2) Defendant cease and desist from any conduct which constitutes a violation of § 38.2-610 of the Code of Virginia; and

(3) The papers herein be placed in the file for ended causes.

CASE NO. INS980154
SEPTEMBER 15, 1998

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
WAYNE A. BUSICK,
Defendant

ORDER REVOKING LICENSE

IT APPEARING from an investigation by the Bureau of Insurance that Defendant, duly licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia as an insurance agent, in certain instances, violated § 38.2-1813 and 38.2-1826 of the Code of Virginia by failing to account for and pay in the ordinary course of business premiums collected on behalf of a certain insurer and by failing to notify the Commission of a change of residence address within 30 days of the date of the change;

IT FURTHER APPEARING that the Commission is authorized by §§ 38.2-218, 38.2-219 and 38.2-1831 of the Code of Virginia to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke Defendant's license upon a finding by the Commission, after notice and hearing, that Defendant has committed the aforesaid alleged violations;

IT FURTHER APPEARING that Defendant has been notified of Defendant's right to a hearing before the Commission in this matter by a certified letter dated July 23, 1998, and mailed to the Defendant's address shown in the records of the Bureau of Insurance;

IT FURTHER APPEARING that Defendant, having been advised in the aforesaid manner of his right to a hearing in this matter, has failed to request a hearing and has not otherwise communicated with the Bureau of Insurance;

IT FURTHER APPEARING that the Bureau of Insurance, upon Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking all of Defendant's licenses to transact the business of insurance in the Commonwealth of Virginia as an insurance agent; and

THE COMMISSION is of the opinion and finds that Defendant has violated §§ 38.2-1813 and 38.2-1826 of the Code of Virginia by failing to account for and pay in the ordinary course of business premiums collected on behalf of a certain insurer and by failing to notify the Commission of a change of residence address within 30 days of the date of the change;

THEREFORE, IT IS ORDERED THAT:

(1) The licenses of Defendant to transact the business of insurance as an agent in the Commonwealth of Virginia be, and they are hereby, revoked;

(2) All appointments issued under said licenses be, and they are hereby, void;

(3) Defendant transact no further business in the Commonwealth of Virginia as an insurance agent;

(4) Defendant shall not apply to the Commission to be licensed as an insurance agent in the Commonwealth of Virginia prior to two (2) years from the date of this order;

(5) The Bureau of Insurance cause a copy of this order to be sent to every insurance company for which Defendant holds an appointment to act as an insurance agent in the Commonwealth of Virginia; and

(6) The papers herein be placed in the file for ended causes.

CASE NO. INS980155
AUGUST 18, 1998

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
QUALCHOICE OF VIRGINIA HEALTH PLAN, INC.,
Defendant

SETTLEMENT ORDER

IT APPEARING from an investigation and subsequent allegations by the Bureau of Insurance that Defendant, duly licensed by the Commission to transact the business of a health maintenance organization in the Commonwealth of Virginia, in certain instances, violated § 38.2-3431 of the Code of Virginia by declining to offer coverage to a small employer consisting solely of a married couple in contravention of such section;

IT FURTHER APPEARING that the Commission is authorized by §§ 38.2-218, 38.2-219 and 38.2-4316 of the Code of Virginia to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke Defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that Defendant has committed the aforesaid alleged violations;

IT FURTHER APPEARING that Defendant has been advised of its right to a hearing in this matter, whereupon Defendant, without admitting any violation of Virginia law, has made an offer of settlement to the Commission wherein Defendant has tendered to the Commonwealth of Virginia the sum of five thousand dollars ($5,000), has waived its right to a hearing, and has agreed to the entry by the Commission to a cease and desist order; and

IT FURTHER APPEARING that the Bureau of Insurance has recommended that the Commission accept the offer of settlement of Defendant pursuant to the authority granted the Commission in § 12.1-15 of the Code of Virginia,

IT IS ORDERED THAT:

(1) The offer of Defendant in settlement of the matter set forth herein be, and it is hereby, accepted;

(2) Defendant cease and desist from any conduct which constitutes a violation of § 38.2-3431 of the Code of Virginia; and

(3) The papers herein be placed in the file for ended causes.

CASE NO. INS980166
SEPTEMBER 23, 1998

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
DAN RIVER FARMERS MUTUAL FIRE INSURANCE COMPANY,
Defendant

SETTLEMENT ORDER

IT APPEARING from an investigation and subsequent allegations by the Bureau of Insurance that Defendant, duly licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia, in certain instances, violated §§ 38.2-1408, 38.2-2503 B, 38.2-2509, and 38.2-2727 A of the Code of Virginia;

IT FURTHER APPEARING that the Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1040 of the Code of Virginia to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke Defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that Defendant has committed the aforesaid alleged violations;

IT FURTHER APPEARING that Defendant has been advised of its right to a hearing in this matter, whereupon Defendant, without admitting any violation of Virginia law, has made an offer of settlement to the Commission wherein Defendant has tendered to the Commonwealth of Virginia the sum of six thousand dollars ($6,000), waived its right to a hearing, and agreed to the entry by the Commission of a cease and desist order; and

IT FURTHER APPEARING that the Bureau of Insurance has recommended that the Commission accept the offer of settlement of Defendant pursuant to the authority granted the Commission in § 12.1-15 of the Code of Virginia,

IT IS ORDERED THAT:

(1) The offer of Defendant in settlement of the matter set forth herein be, and it is hereby, accepted;

(2) Defendant cease and desist from any conduct which constitutes a violation of §§ 38.2-1408, 38.2-2503 B, 38.2-2509, and 38.2-2727 A of the Code of Virginia; and

(3) The papers herein be placed in the file for ended causes.

CASE NO. INS980169
SEPTEMBER 28, 1998

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
AMERICAN NATIONAL INSURANCE COMPANY,
Defendant

SETTLEMENT ORDER

IT APPEARING from an investigation and subsequent allegations by the Bureau of Insurance that Defendant, duly licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia, in certain instances, violated § 38.2-610 of the Code of Virginia by failing to give to applicants for insurance written notice of an adverse underwriting decision in the form approved by the Commission;

IT FURTHER APPEARING that the Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1040 of the Code of Virginia to impose certain monetary penalties, issue cease and desist orders, and to suspend or revoke Defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that Defendant has committed the aforesaid alleged violations;

IT FURTHER APPEARING that Defendant has been advised of its right to a hearing in this matter, whereupon Defendant, without admitting any violation of Virginia law, has made an offer of settlement to the Commission wherein Defendant has tendered to the Commonwealth of Virginia the sum of fifteen thousand dollars ($15,000) and waived its right to a hearing; and

IT FURTHER APPEARING that the Bureau of Insurance has recommended that the Commission accept the offer of settlement of Defendant pursuant to the authority granted the Commission in § 12.1-15 of the Code of Virginia,

IT IS ORDERED THAT:

(1) The offer of Defendant in settlement of the matter set forth herein be, and it is hereby, accepted; and

(2) The papers herein be placed in the file for ended causes.

CASE NO. INS980170
SEPTEMBER 15, 1998

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
JOSEPH LEON HARGROVE,
Defendant

ORDER REVOKING LICENSE

IT APPEARING from an investigation by the Bureau of Insurance that Defendant, duly licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia as an insurance agent, in certain instances, violated §§ 38.2-502 and 38.2-1826 of the Code of Virginia by misrepresenting the benefits, advantages, conditions or terms of a certain insurance policy and by failing to notify the Commission of a change of residence address within 30 days of the date of the change;

IT FURTHER APPEARING that the Commission is authorized by §§ 38.2-218, 38.2-219 and 38.2-1831 of the Code of Virginia to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke Defendant's license upon a finding by the Commission, after notice and hearing, that Defendant has committed the aforesaid alleged violations;

IT FURTHER APPEARING that Defendant has been notified of Defendant's right to a hearing before the Commission in this matter by a certified letter dated July 30, 1998, and mailed to the Defendant's address shown in the records of the Bureau of Insurance;

IT FURTHER APPEARING that Defendant, having been advised in the aforesaid manner of his right to a hearing in this matter, has failed to request a hearing and has not otherwise communicated with the Bureau of Insurance;

IT FURTHER APPEARING that the Bureau of Insurance, upon Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking all of Defendant's licenses to transact the business of insurance in the Commonwealth of Virginia as an insurance agent; and

THE COMMISSION is of the opinion and finds that Defendant has violated §§ 38.2-502 and 38.2-1826 of the Code of Virginia by misrepresenting the benefits, advantages, conditions or terms of a certain insurance policy and by failing to notify the Commission of a change of residence address within 30 days of the date of the change;

THEREFORE, IT IS ORDERED THAT:

(1) The licenses of Defendant to transact the business of insurance as an agent in the Commonwealth of Virginia be, and they are hereby, revoked;

(2) All appointments issued under said licenses be, and they are hereby, void;

(3) Defendant transact no further business in the Commonwealth of Virginia as an insurance agent;

(4) Defendant shall not apply to the Commission to be licensed as an insurance agent in the Commonwealth of Virginia prior to two (2) years from the date of this order;

(5) The Bureau of Insurance cause a copy of this order to be sent to every insurance company for which Defendant holds an appointment to act as an insurance agent in the Commonwealth of Virginia; and

(6) The papers herein be placed in the file for ended causes.

CASE NO. INS980175
SEPTEMBER 23, 1998

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
SECURITY-CONNECTICUT LIFE INSURANCE COMPANY,
Defendant

SETTLEMENT ORDER

IT APPEARING from an investigation and subsequent allegations by the Bureau of Insurance that Defendant, duly licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia, in certain instances, violated § 38.2-610 of the Code of Virginia by failing to give to applicants for insurance written notice of an adverse underwriting decision in the form approved by the Commission;

IT FURTHER APPEARING that the Commission is authorized by §§ 38.2-218, 38.2-219 and 38.2-1040 of the Code of Virginia to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke Defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that Defendant has committed the aforesaid alleged violations;

IT FURTHER APPEARING that Defendant has been advised of its right to a hearing in this matter, whereupon Defendant, without admitting any violation of Virginia law, has made an offer of settlement to the Commission wherein Defendant has tendered to the Commonwealth of Virginia the sum of ten thousand dollars ($10,000), waived its right to a hearing, and agreed to the entry by the Commission of a cease and desist order; and

IT FURTHER APPEARING that the Bureau of Insurance has recommended that the Commission accept the offer of settlement of Defendant pursuant to the authority granted the Commission in § 12.1-15 of the Code of Virginia.

IT IS ORDERED THAT:

(1) The offer of Defendant in settlement of the matter set forth herein be, and it is hereby, accepted;

(2) Defendant cease and desist from any conduct which constitutes a violation of § 38.2-610 of the Code of Virginia; and

(3) The papers herein be placed in the file for ended causes.

CASE NO. INS980175
SEPTEMBER 25, 1998

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
SECURITY-CONNECTICUT LIFE INSURANCE COMPANY,
Defendant

VACATING ORDER

GOOD CAUSE having been shown, the Settlement Order entered herein September 23, 1998, is hereby vacated.

CASE NO. INS980175
SEPTEMBER 25, 1998

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
SECURITY-CONNECTICUT LIFE INSURANCE COMPANY,
Defendant

AMENDED SETTLEMENT ORDER

IT APPEARING from an investigation and subsequent allegations by the Bureau of Insurance that Defendant, duly licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia, in certain instances, violated § 38.2-610 of the Code of Virginia by failing to give to applicants for insurance written notice of an adverse underwriting decision in the form approved by the Commission;

IT FURTHERING APPEARING that the Commission is authorized by §§ 38.2-218, 38.2-219 and 38.2-1040 of the Code of Virginia to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke Defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that Defendant has committed the aforesaid alleged violations;

IT FURTHER APPEARING that Defendant has been advised of its right to a hearing in this matter, whereupon Defendant, without admitting any violation of Virginia Law, has made an offer of settlement to the Commission wherein Defendant has tendered to the Commonwealth of Virginia the sum of ten thousand dollars ($10,000) and waived its right to a hearing; and

IT FURTHER APPEARING that the Bureau of Insurance has recommended that the Commission accept the offer of settlement of Defendant pursuant to the authority granted the Commission in § 12.1-15 of the Code of Virginia,

IT IS ORDERED THAT:

(1) The offer of Defendant in settlement of the matter set forth herein be, and it is hereby, accepted; and

(2) The papers herein be placed in the file for ended causes.

CASE NO. INS980182
SEPTEMBER 23, 1998

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
ARI CASUALTY COMPANY,
Defendant

IMPAIRMENT ORDER

WHEREAS, ARI Casualty Company, a foreign corporation domiciled in the State of New Jersey and licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia, is required to maintain minimum capital of $1,000,000 and minimum surplus of $3,000,000;

WHEREAS, § 38.2-1036 of the Code of Virginia provides, inter alia, that if the Commission finds an impairment of the required minimum surplus of any foreign insurer, the Commission may order the insurer to eliminate the impairment and restore the minimum surplus to the amount required by law and may prohibit the insurer from issuing any new policies in the Commonwealth of Virginia while the impairment of its surplus exists; and

WHEREAS, the June 30, 1998 Quarterly Statement of Defendant, filed with the Commission's Bureau of Insurance, indicates capital of $3,525,000, and surplus of $2,834,864;

IT IS ORDERED that, on or before November 23, 1998, Defendant eliminate the impairment in its surplus and restore the same to at least $3,000,000 and advise the Commission of the accomplishment thereof by affidavit of Defendant's president or other authorized officer.

IT IS FURTHER ORDERED that Defendant shall issue no new contracts or policies of insurance in the Commonwealth of Virginia while the impairment of Defendant's surplus exists and until further order of the Commission.

CASE NO. INS980194
OCTOBER 8, 1998

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
RELIASTAR UNITED SERVICES LIFE INSURANCE COMPANY,
Defendant

SETTLEMENT ORDER

IT APPEARING from a market conduct examination performed by the Bureau of Insurance that Defendant, duly licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia, in certain instances, violated Subsection 1 of § 38.2-502 and §§ 38.2-316 B, 38.2-316 C, 38.2-604, 38.2-610, 38.2-1812, 38.2-1822 A, 38.2-1833 A 1, and 38.2-1834 C of the Code of Virginia, as well as 14 VAC 5-40-40 A 1, 14 VAC 5-40-40 A 4, 14 VAC 5-40-40 A 10, 14 VAC 5-40-40 C 2, and 14 VAC 5-40-60 B;

IT FURTHER APPEARING that the Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1040 of the Code of Virginia to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke Defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that Defendant has committed the aforesaid alleged violations;

IT FURTHER APPEARING that Defendant has been advised of its right to a hearing in this matter, whereupon Defendant, without admitting any violation of Virginia law, has made an offer of settlement to the Commission wherein Defendant has tendered to the Commonwealth of Virginia the sum of ten thousand dollars ($10,000), waived its right to a hearing, and agreed to the entry by the Commission of a cease and desist order; and

IT FURTHER APPEARING that the Bureau of Insurance has recommended that the Commission accept the offer of settlement of Defendant pursuant to the authority granted the Commission in § 12.1-15 of the Code of Virginia,

IT IS ORDERED THAT:

(1) The offer of Defendant in settlement of the matter set forth herein be, and it is hereby, accepted;

(2) Defendant cease and desist from any conduct which constitutes a violation of Subsection 1 of § 38.2-502 and §§ 38.2-316 B, 38.2-316 C, 38.2-604, 38.2-610, 38.2-1812, 38.2-1822 A, 38.2-1833 A 1, and 38.2-1834 C of the Code of Virginia, as well as 14 VAC 5-40-40 A 1, 14 VAC 5-40-40 A 4, 14 VAC 5-40-40 A 10, 14 VAC 5-40-40 C 2, and 14 VAC 5-40-60 B; and

(3) The papers herein be placed in the file for ended causes.

CASE NO. INS980195
SEPTEMBER 30, 1998

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
CEDAR HILL ASSURANCE COMPANY,
Defendant

IMPAIRMENT ORDER

WHEREAS, Cedar Hill Assurance Company, a foreign corporation domiciled in the State of Texas and licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia, is required to maintain minimum capital of $1,000,000 and minimum surplus of $3,000,000;

WHEREAS, § 38.2-1036 of the Code of Virginia provides, inter alia, that if the Commission finds an impairment of the required minimum surplus of any foreign insurer, the Commission may order the insurer to eliminate the impairment and restore the minimum surplus to the amount required by law and may prohibit the insurer from issuing any new policies in the Commonwealth of Virginia while the impairment of its surplus exists; and

WHEREAS, the June 30, 1998 Quarterly Statement of Defendant, filed with the Commission's Bureau of Insurance, indicates capital of $3,750,000, and surplus of $2,969,168;

IT IS ORDERED THAT, on or before December 28, 1998, Defendant eliminate the impairment in its surplus and restore the same to at least $3,000,000 and advise the Commission of the accomplishment thereof affidavit of Defendant's president or other authorized officer.

IT IS FURTHER ORDERED that Defendant shall issue no new contracts or policies of insurance in the Commonwealth of Virginia while the impairment of Defendant's surplus exists and until further order of the Commission.

CASE NO. INS980201
NOVEMBER 19, 1998

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
LEGAL SERVICE PLANS OF VIRGINIA, INC.,
Defendant

SETTLEMENT ORDER

IT APPEARING from a market conduct examination performed by the Bureau of Insurance that Defendant, duly licensed by the Commission to operate a legal services plan in the Commonwealth of Virginia, in certain instances, violated Subsection 1 of § 38.2-502 and §§ 38.2-503, 38.2-1812 A, 38.2-1833 A 1, 38.2-4412 and 38.2-4417 of the Code of Virginia;

IT FURTHER APPEARING that the Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1040 of the Code of Virginia to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke Defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that Defendant has committed the aforesaid alleged violations;

IT FURTHER APPEARING that Defendant has been advised of its right to a hearing in this matter, whereupon Defendant, without admitting any violation of Virginia law, has made an offer of settlement to the Commission wherein Defendant has tendered to the Commonwealth of Virginia the sum of seven thousand dollars ($7,000) and waived its right to a hearing;

IT FURTHER APPEARING that the Bureau of Insurance has recommended that the Commission accept the offer of settlement of Defendant pursuant to the authority granted the Commission in § 12.1-15 of the Code of Virginia,

IT IS ORDERED THAT:

(1) The offer of Defendant in settlement of the matter set forth herein be, and it is hereby, accepted; and

(2) The papers herein be placed in the file for ended causes.

CASE NO. INS980204
NOVEMBER 13, 1998

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
NEW HAMPSHIRE INDEMNITY COMPANY, INC.,
Defendant

SETTLEMENT ORDER

IT APPEARING from a market conduct examination performed by the Bureau of Insurance that Defendant, duly licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia, in certain instances, violated §§ 38.2-305, 38.2-510 A 6, 38.2-510 A 10, 38.2-512, 38.2-604, 38.2-610, 38.2-1833, 38.2-1904, 38.2-1905, 38.2-1906 B, 38.2-2202, 38.2-2204, 38.2-2210, 38.2-2212, 38.2-2220 and 38.2-2230 of the Code of Virginia, as well as 14 VAC 5-400-40 A and 14 VAC 5-400-80 D;

IT FURTHER APPEARING that the Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1040 of the Code of Virginia to impose certain monetary penalties, issue cease and desist orders and to suspend or revoke Defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that Defendant has committed the aforesaid alleged violations;

IT FURTHER APPEARING that Defendant has been advised of its right to a hearing in this matter, whereupon Defendant, without admitting any violation of Virginia law, has made an offer of settlement to the Commission wherein Defendant has tendered to the Commonwealth of Virginia the sum of twenty-two thousand dollars ($22,000), and has waived its right to a hearing;

IT FURTHER APPEARING that the Bureau of Insurance has recommended that the Commission accept the offer of settlement of Defendant pursuant to the authority granted the Commission in § 12.1-15 of the Code of Virginia,

IT IS ORDERED THAT:

(1) The offer of Defendant in settlement of the matter set forth herein be, and it is hereby, accepted; and

(2) The papers herein be placed in the file for ended causes.

CASE NO. INS980205
NOVEMBER 24, 1998

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
UNITED STATES FIDELITY AND GUARANTY COMPANY,
FIDELITY AND GUARANTY INSURANCE COMPANY,
and
FIDELITY AND GUARANTY INSURANCE UNDERWRITERS, INC.,
Defendants

SETTLEMENT ORDER

IT APPEARING from a market conduct examination performed by the Bureau of Insurance that Defendants, duly licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia, in certain instances, violated the Code of Virginia to wit: United States Fidelity and Guaranty Company violated §§ 38.2-231, 38.2-304, 38.2-510 A 10, 38.2-1904, 38.2-1906 B, 38.2-2014, 38.2-2113, 38.2-2114, 38.2-2208, and 38.2-2212 of the Code of Virginia, as well as 14 VAC 5-390-40, 14 VAC 5-400-50 D, and 14 VAC 5-400-80 D; Fidelity and Guaranty Insurance Company violated §§ 38.2-231, 38.2-304, 38.2-305, 38.2-510 A 10, 38.2-610, 38.2-1904, 38.2-1906 B, 38.2-2014, 38.2-2113, 38.2-2114, and 38.2-2208 of the Code of Virginia, as well as 14 VAC 5-400-50 D; and Fidelity and Guaranty Insurance Underwriters, Inc. violated §§ 38.2-231, 38.2-510 A 10, 38.2-1904, 38.2-1906 B, 38.2-2113, 38.2-2114, 38.2-2208, and 38.2-2212 of the Code of Virginia, as well as 14 VAC 5-400-80 D;

IT FURTHER APPEARING that the Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1040 of the Code of Virginia to impose certain monetary penalties, issue cease and desist orders and to suspend or revoke Defendants' licenses upon a finding by the Commission, after notice and opportunity to be heard, that Defendants have committed the aforesaid alleged violations;

IT FURTHER APPEARING that Defendants have been advised of their right to a hearing in this matter, whereupon Defendants, without admitting any violation of Virginia law, have made an offer of settlement to the Commission wherein Defendants have tendered to the Commonwealth of Virginia the sum of thirty-five thousand dollars ($35,000), have waived their right to a hearing, and have agreed to the entry by the Commission of a cease and desist order; and

IT FURTHER APPEARING that the Bureau of Insurance has recommended that the Commission accept the offer of settlement of Defendants pursuant to the authority granted the Commission in § 12.1-15 of the Code of Virginia,

IT IS ORDERED THAT:

(1) The offer of Defendants in settlement of the matter set forth herein be, and it is hereby, accepted;

(2) United States Fidelity and Guaranty Company cease and desist from any conduct which constitutes a violation of §§ 38.2-231, 38.2-304, 38.2-510 A 10, 38.2-1904, 38.2-1906 B, 38.2-2014, 38.2-2113, 38.2-2114, 38.2-2208, or 38.2-2212 of the Code of Virginia, as well as 14 VAC 5-390-40, 14 VAC 5-400-50 D, or 14 VAC 5-400-80 D;

(3) Fidelity and Guaranty Insurance Company cease and desist from any conduct which constitutes a violation of §§ 38.2-231, 38.2-304, 38.2-305, 38.2-510 A 10, 38.2-610, 38.2-1904, 38.2-1906 B, 38.2-2014, 38.2-2113, 38.2-2114, or 38.2-2208 of the Code of Virginia, as well as 14 VAC 5-400-50 D;

(4) Fidelity and Guaranty Insurance Underwriters, Inc. cease and desist from any conduct which constitutes a violation of §§ 38.2-231, 38.2-510 A 10, 38.2-1904, 38.2-1906 B, 38.2-2113, 38.2-2114, 38.2-2208, or 38.2-2212 of the Code of Virginia, as well as 14 VAC 5-400-80 D; and

(5) The papers herein be placed in the file for ended causes.

CASE NO. INS980226
DECEMBER 2, 1998

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
GWENDOLYN B. BENTLEY,
Defendant

ORDER REVOKING LICENSE

IT APPEARING from an investigation by the Bureau of Insurance that Defendant, duly licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia as an insurance agent, in a certain instance, violated § 6.1-2.21 E 1 of the Code of Virginia by failing to provide to the Commission a copy of Defendant's audit report of her escrow accounts;

IT FURTHER APPEARING that the Commission is authorized by § 6.1-2.27 of the Code of Virginia to impose certain monetary penalties and to suspend or revoke Defendant's license upon a determination by the Commission, after notice and opportunity to be heard, that Defendant has committed the aforesaid alleged violation;

IT FURTHER APPEARING that Defendant has been notified of Defendant's right to a hearing before the Commission in this matter by certified letter dated October 27, 1998, and mailed to the Defendant's address shown in the records of the Bureau of Insurance;

IT FURTHER APPEARING that Defendant, having been advised in the aforesaid manner of her right to a hearing in this matter, has failed to request a hearing and has not otherwise communicated with the Bureau of Insurance;

IT FURTHER APPEARING that the Bureau of Insurance, upon Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking all of Defendant's licenses to transact the business of insurance in the Commonwealth of Virginia as an insurance agent; and

THE COMMISSION is of the opinion and finds that Defendant has violated § 6.1-2.21 E 1 of the Code of Virginia;

THEREFORE, IT IS ORDERED THAT:

(1) The licenses of Defendant to transact the business of insurance as an agent in the Commonwealth of Virginia be, and they are hereby, revoked;

(2) All appointments issued under said licenses be, and they are hereby, void;

(3) Defendant transact no further business in the Commonwealth of Virginia as an insurance agent;

(4) Defendant shall not apply to the Commission to be licensed as an insurance agent in the Commonwealth of Virginia prior to two (2) years from the date of this order;

(5) The Bureau of Insurance cause a copy of this order to be sent to every insurance company for which Defendant holds an appointment to act as an insurance agent in the Commonwealth of Virginia; and

(6) The papers herein be placed in the file for ended causes.

CASE NO. INS980227
DECEMBER 15, 1998

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
OAKWOOD MOBILE HOMES, INC.,
Defendant

SETTLEMENT ORDER

IT APPEARING from an investigation and subsequent allegations by the Bureau of Insurance that Defendant, duly licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia, in certain instances, violated §§ 38.2-1804 and 38.2-1822 of the Code of Virginia by signing or allowing an insured to sign a blank or incomplete form pertaining to insurance and by permitting a person to act as an agent without first obtaining a license in a manner and in a form prescribed by the Commission;

IT FURTHER APPEARING that the Commission is authorized by §§ 38.2-218, 38.2-219 and 38.2-1831 of the Code of Virginia to impose certain monetary penalties, issue cease and desist orders and to suspend or revoke Defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that Defendant has committed the aforesaid alleged violations;

IT FURTHER APPEARING that Defendant has been advised of its right to a hearing in this matter, whereupon Defendant, without admitting any violation of Virginia law, has made an offer of settlement to the Commission wherein Defendant has tendered to the Commonwealth of Virginia the sum of seven thousand five hundred dollars ($7,500), has waived its right to a hearing and has agreed to the entry by the Commission of a cease and desist order; and

IT FURTHER APPEARING that the Bureau of Insurance has recommended that the Commission accept the offer of settlement of Defendant pursuant to the authority granted the Commission in § 12.1-15 of the Code of Virginia,

IT IS ORDERED THAT:

(1) The offer of Defendant in settlement of the matter set forth herein be, and it is hereby, accepted;

(2) Defendant cease and desist from any conduct which constitutes a violation of §§ 38.2-1804 or 38.2-1822 of the Code of Virginia; and

(3) The papers herein be placed in the file for ended causes.

CASE NO. INS980234
DECEMBER 16, 1998

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
JONATHAN S. BACH,
Defendant

ORDER REVOKING LICENSE

IT APPEARING from an investigation by the Bureau of Insurance that Defendant, duly licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia as an insurance agent, in a certain instance, violated § 6.1-2.21 E of the Code of Virginia by failing to provide to the Commission a copy of Defendant's audit report of his escrow accounts;

IT FURTHER APPEARING that the Commission is authorized by § 6.1-2.27 of the Code of Virginia to impose certain monetary penalties and to suspend or revoke Defendant's license upon a determination by the Commission, after notice and opportunity to be heard, that Defendant has committed the aforesaid alleged violation;

IT FURTHER APPEARING that Defendant has been notified of Defendant's right to a hearing before the Commission in this matter by certified letter dated November 20, 1998, and mailed to the Defendant's address shown in the records of the Bureau of Insurance;

IT FURTHER APPEARING that Defendant, having been advised in the aforesaid manner of his right to a hearing in this matter, has failed to request a hearing and has not otherwise communicated with the Bureau of Insurance;

IT FURTHER APPEARING that the Bureau of Insurance, upon Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking all of Defendant's licenses to transact the business of insurance in the Commonwealth of Virginia as an insurance agent; and

THE COMMISSION is of the opinion and finds that Defendant has violated § 6.1-2.21 E of the Code of Virginia;

THEREFORE, IT IS ORDERED THAT:

(1) The licenses of Defendant to transact the business of insurance as an agent in the Commonwealth of Virginia be, and they are hereby, revoked;

(2) All appointments issued under said licenses be, and they are hereby, void;

(3) Defendant transact no further business in the Commonwealth of Virginia as an insurance agent;

(4) Defendant shall not apply to the Commission to be licensed as an insurance agent in the Commonwealth of Virginia prior to two (2) years from the date of this order;

(5) The Bureau of Insurance cause a copy of this order to be sent to every insurance company for which Defendant holds an appointment to act as an insurance agent in the Commonwealth of Virginia; and

(6) The papers herein be placed in the file for ended causes.

DIVISION OF PUBLIC SERVICE TAXATION

CASE NO. PST970004
MAY 8, 1998

PETITION OF
COLUMBIA GAS OF VIRGINIA, INC. (Formerly COMMONWEALTH GAS SERVICES, INC.)

For abatement and exoneration of an assessment of addition to estimated tax for 1997

ORDER GRANTING, IN PART, PETITION

Columbia Gas of Virginia, Inc. ("Columbia" or "Company") (formerly Commonwealth Gas Services, Inc.) has petitioned the Commission to abate and exonerate the full amount of an assessment of addition to estimated tax of $19,252.17. In support of its petition, Columbia cites § 12.1-15 of the Code of Virginia, which empowers the Commission to abate and exonerate any penalty or interest upon a tax or fee assessed by the Commission. As discussed in this order, the Commission will grant the petition, in part.

By order of October 14, 1997, the Commission docketed the petition and established procedures for hearing. In addition, we ordered Columbia to give notice of its petition to the Attorney General and the Comptroller of the Commonwealth. On November 7, 1997, Columbia filed with the Clerk of the Commission proof of the required service. The Commission finds that proper notice of this petition was given.

Neither the Attorney General, the Comptroller of the Commonwealth, nor any other interested person participated in this proceeding. Columbia and the Commission Staff jointly moved for disposition of this matter on the basis of a joint stipulation of facts and memoranda and without a hearing. The Commission granted the motion, and we have considered the joint stipulation of facts, memoranda filed by Columbia and the Staff, and the reply memoranda filed by Columbia.

At the outset, the Commission notes that Columbia seeks relief solely under § 12.1-15 of the Code of Virginia, which empowers the Commission to compromise and settle controversies. Although the Company paid the addition to the tax, it did not petition for review and correction of the assessment as provided by § 58.1-2030 of the Code of Virginia. Accordingly, the computation and amount of the addition of the tax are presumed to be correct. Columbia's memoranda, do, however, raise points about the estimated tax which we will address.

The estimated tax is an exercise of the General Assembly's power to tax and to provide for the funding of government services. It is complex, and the penalties for failure to comply may appear severe. The State Corporation Commission will enforce provisions of the estimated tax as enacted by the General Assembly to assure the anticipated flow of revenue to the Commonwealth's Treasury.

Estimating utility revenues and gross receipts taxes can be uncertain. The provisions of law establishing the estimated tax provide a "safe harbor" for subject companies. Utilities, including Columbia, may avoid liability for addition to the estimated tax by paying 25% of their prior year's license tax in each installment. Although the Company intended to qualify, Columbia's installment payments in each of the first two quarters of 1996 did not equal 25% of the prior year's tax. The statutory language does not provide for any deviation from the requirement that at least 25% of the prior year's tax liability be paid in each installment.[1]

Upon consideration of the record and the relevant statutes, the Commission concludes that the addition to the estimated tax is subject to abatement or exoneration, upon a showing of good cause, as provided by § 12.1-15 of the Code of Virginia. Upon consideration of the facts and circumstances, the Commission finds that the addition to the tax in the amount of $16,752.17 should be abated and exonerated and that sum should be refunded to Columbia. Accordingly,

IT IS ORDERED THAT:

(1) Columbia's petition for abatement and exoneration of the assessment of the addition to the estimated tax be granted, in part.

(2) Columbia's assessment of addition to the tax for 1997 be reduced to $2,500.00.

(3) A refund of $16,752.17 be made to Columbia.

(4) The refund ordered in (3), above, be without interest.

(5) The Commission's Public Service Taxation Division and Comptroller shall prepare appropriate documents and provide information to the Comptroller of the Commonwealth for payment of the refund ordered in Paragraph (3).

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[1] Of course, a taxpayer may pay more than the minimum installment required by law to qualify for the safe harbor for that quarter. Overpayment in one quarter would not, however, relieve the taxpayer of paying at least 25% of the prior year's tax in subsequent quarters. It has long been the administrative practice of the Commission, which we do not alter by this order, to accept reports of revenues and estimated tax payments rounded to the nearest dollar. This policy is not affected by Columbia's petition, since the Company did not round its payments to the nearest dollar. The minimum quarterly payment to qualify for the safe harbor was $667,896.56. In the first two quarters, Columbia's payments were $667,886.56.

(6) The refund shall be made to Columbia Gas of Virginia, Inc., Federal Taxpayer Identification No. E-540344210, SCC Public Service Taxation Identification No. 4010, and be sent to Susan E. Grim, Team Leader-CGV, Columbia Gas of Virginia, Inc., P.O. Box 117, Columbus, Ohio 43216-0117.

(7) This case be dismissed from the docket and the papers be transferred to the files for ended proceedings.

CASE NO. PST980002
OCTOBER 26, 1998

APPLICATION OF
GALLOP BUS LINES, LTD., d/b/a GALLOP BUS LINES

For review and correction of special regulatory revenue tax assessment and refund of tax -- tax year 1998

ORDER GRANTING APPLICATION

Before the Commission is the application of Gallop Lines, Ltd. d/b/a Gallop Bus Lines ("Gallop") for review and correction of its assessment of special regulatory revenue tax ("special tax") for tax year 1998 and for refund of overpayment of special tax. According to Gallop, a clerical error was made in preparing its annual report of revenues filed with the Commission. Gallop erroneously reported $2,196,805.07 in revenues while the actual Virginia intrastate revenues subject to special tax were $664,260.40. Gallop requests a refund of $1,685.80 in special tax assessed on the erroneously reported revenues.

A review of Commission records shows that Gallop was assessed special tax of $2,416.49 on May 8, 1998, and the company made timely payment in full on May 19, 1998. The Commission finds that, as required by § 58.1-2030 of the Code of Virginia, Gallop has properly applied for review and correction of the assessment of a tax imposed under the authority of the State Corporation Commission. Our Public Service Taxation Division has advised the Commission that the over-reporting of revenues was discovered during a recent audit of Gallop. The Public Service Taxation Division recommends correcting the assessment and refunding the overpayment of special tax.

The Commission finds that assessment and refund of special regulatory tax does not affect other agencies or jurisdictions. Accordingly, we will require no further notice of this application. Upon consideration of Gallop's application and the recommendation of the Public Service Taxation Division, the Commission will grant the application to correct the assessment and will refund the overpayment of special tax. Accordingly,

IT IS ORDERED THAT:

(1) As provided by § 58.1-2030 of the Code of Virginia, Gallop's application for review and correction of special tax assessment and for refund of special tax shall be docketed as Case No. PST980002, and all associated papers shall be filed therein.

(2) Gallop's application is granted.

(3) Gallop's gross receipts subject to special tax for tax year 1998 is corrected to $664,260.40, and its assessment of special tax is corrected to $730.69.

(4) A refund of $1,685.80 for overpayment of special tax for tax year 1998 shall be made to Gallop.

(5) The refund ordered in (4), above, be without interest.

(6) The Commission's Public Service Taxation Division and Office of Comptroller shall prepare appropriate documents, and provide necessary information to the Comptroller of the Commonwealth for payment of the refund ordered in (4). The refund should be made to Gallop Bus Lines, Inc., Taxpayer Identification Number 54-1202299, and be sent to Rickey Ives, Comptroller, Gallop Bus Lines, 600 South Military Highway, Virginia Beach, Virginia 23464.

(7) This case be dismissed from the docket and the papers be transferred to the files for ended proceedings.

DIVISION OF PUBLIC UTILITY ACCOUNTING

CASE NO. PUA960028
FEBRUARY 12, 1998

JOINT APPLICATION OF
VIRGINIA NATURAL GAS, INC.
and
CONSOLIDATED NATURAL GAS SERVICE COMPANY, INC.

For approval to amend an Affiliate Agreement as directed in Commission Order dated April 22, 1997

ORDER GRANTING APPROVAL

Virginia Natural Gas, Inc. (VNG) and Consolidated Natural Gas Service Company, Inc. (Service Company) filed an application on September 17, 1997, under the provisions of the Public Utilities Affiliates, for approval of a amendment to an affiliate agreement, as approved by Commission order dated April 22, 1997, in Case No. PUA960028.

Under the Amendment, the affiliate provider of marketing and advertising services to VNG is changed from the East Ohio Gas Company to the Service Company.

Substantive terms and conditions of the original agreement remain intact. The services being provided and the terms and conditions under which those services are provided, billed and compensated are set forth in a December 1, 1995 Letter Agreement between the parties. That Letter Agreement was recognized and approved by the Commission in its April 22, 1997 Order Granting Approval.

The Amendment to the Agreement is requested by the Applicants to reflect the fact that such marketing and advertising services are now being performed by employees of the Service Company and that the East Ohio Gas Company, while becoming a party to the Agreement as a recipient of services, will no longer act as a service provider to whom VNG will make payment for services rendered.

THE COMMISSION, upon consideration of the application and representation of Applicants and having been advised by its Staff, is of the opinion that approval of the Amendment to the Affiliate Agreement would be in the public interest and should be approved.

IT IS ORDERED THAT:

1) Pursuant to § 56-77 of the Code of Virginia, Applicants are hereby granted approval of the Amendment to the Agreement, under the terms and conditions as described herein.

2) The approval granted herein shall in no way be deemed to include approval of recovery of any charges or costs for ratemaking purposes.

3) The approval granted herein shall not preclude the Commission from exercising the provisions of §§ 56-78 and 56-79 of the Code of Virginia hereafter.

4) Should any terms and conditions of the Agreement change from those described herein, Commission approval shall be required for such changes pursuant to § 56-80 of the Code of Virginia.

5) There appearing nothing further to be done in this matter, the same be, and it hereby is, dismissed.

CASE NO. PUA960057
NOVEMBER 5, 1998

JOINT APPLICATION OF
DELMARVA POWER & LIGHT COMPANY
and
DELMARVA CAPITAL INVESTMENTS, INC.

For approval of transactions under Chapter 4 of Title 56 of the Code of Virginia

ORDER DENYING APPROVAL

Delmarva Power & Light Company ("Delmarva") and Delmarva Capital Investments, Inc., ("DCI") (collectively referenced as "Applicants") filed a joint application with the Commission seeking retroactive approval pursuant to the Public Utilities Affiliates Act or an exemption from the filing and prior approval requirements of Chapter 4 of Title 56 of the Code of Virginia. In their joint application, Applicants request approval of the following: 1) the provision of services by Delmarva to its subidiaries, both under a management fee agreement and otherwise; 2) transactions regarding the Delaware City

Power Plant; 3) transactions regarding the sale and contribution of real property to affiliates; and 4) the initial and subsequent capital contributions by Delmarva to its direct subsidiaries.

Since the filing of the joint application, the Commission, in Case No. PUA970008 (Order entered August 6, 1997), approved the corporate reorganization (merger) of Delmarva and Atlantic City Electric Company. Pursuant to that merger Delmarva and its direct/indirect subsidiaries became wholly-owned subsidiaries of Conectiv, Inc. The Commission also approved, in Case No. PUA970040 (Order entered June 18, 1998), the establishment of a mutual service company and certain affiliate transactions and the granting of a dividend to Conectiv, Inc. of Delmarva's direct/indirect subsidiaries.

DCI was a wholly-owned, direct, non-regulated subsidiary of Delmarva incorporated in Delaware. DCI had a number of direct or indirect wholly-owned subsidiaries that were Delaware or Pennsylvania corporations. In addition to DCI, Delmarva had three other direct, non-regulated subsidiaries: Delmarva Services Company, Delmarva Industries, Inc., and Delmarva Energy, Inc.

All of Delmarva's indirect subsidiaries (eighteen) were Delaware or Pennsylvania corporations and were wholly-owned, directly or indirectly, by DCI. None of Delmarva's direct or indirect subsidiaries was engaged in any business anywhere within the Commonwealth of Virginia.

Delmarva's corporate policy regarding transactions between itself and its subsidiaries kept its regulated utility service activities separate from the activities of its direct and indirect subsidiaries. Delmarva also tracked and directly assigned costs to its subsidiaries on a fully allocated basis, thereby preventing any cross subsidization of subsidiary activities.

Delmarva is requesting retroactive approval or an exemption from such approval for services it provided to DCI under a management fee agreement. The management fee was in addition to the other direct/indirect costs associated with services provided to DCI. The management fee was based on a review of all other costs incurred by Delmarva for its subsidiaries and was formulated to charge for certain miscellaneous and supervisory costs not practicably identifiable for direct charging. The following categories of costs were included in developing the annual management fee: 1) executive management; 2) human resources; 3) accounting and finance; 4) general services; 5) corporate communications; and 6) information systems. In addition to the aforementioned costs categories, costs for annual stockholder meetings, directors' and officers' liability insurance, general liability insurance, general postage and parking were reflected in the management fee. The management fee was $5,000 per month from 1986 to 1994; $10,000 per month in 1995 and 1996; and was expected to increase to $12,500 in 1997. Delmarva stated that approximately 3% of the monthly management fee (revenue) was assigned to Virginia jurisdictional cost of service studies.

Delmarva also is requesting retroactive approval or an exemption for miscellaneous limited support services provided to its subsidiaries. Such services included: 1) engineering; 2) accounting and finance; 3) legal; and 4) other services (i.e., marketing, fuel management, environmental public relations, and real estate). Delmarva stated that the aforementioned services were provided, without a written agreement, to its subsidiaries to enable them to operate in an efficient manner and to ensure integration and coordination of activities, information gathering and consolidated financial reporting. Delmarva also stated that all expenses related to support service transactions were recorded as a receivable from associated companies on its financial books and a corresponding payable to associated companies was recorded on the subsidiaries' financial books. As such, no revenue was recorded on Delmarva's books and the transactions, therefore, had no impact on Virginia jurisdictional cost of service studies.

Delmarva also requests retroactive approval or an exemption for services provided to the Delaware City Power Plant. Until 1992, Delmarva owned the Delaware City Power Plant (located in Delaware) and operated the plant under a contract with Star Enterprise and its corporate predecessors. The facility was used primarily to serve the electric and steam needs of the Star Enterprise refinery. In 1991, Star Enterprise exercised a contractual option to purchase the Delaware City Power Plant effective January 1, 1992, at book value. After the purchase, the approximately 100 Delmarva employees at the plant continued to operate the facility as they had for more than 30 years. With the change in ownership, the work was performed under an operations and maintenance agreement between Delmarva and Star Enterprise. At the end of 1992, the contract to operate the Star Enterprise facility was assigned to Delstar Operating Company, a subsidiary of DCI. Delmarva stated that all expenses related to the basic services portion of the O&M Agreement, any additional services, and any construction services were recorded as a receivable from associated companies on its financial books and a corresponding payable to associated companies was recorded on the subsidiaries' financial books. As such, there was no impact on Virginia jurisdictional customers as no revenue or expense was recorded on Delmarva's books. Any profit or loss was recorded below the line on Delmarva's financial books and also had no impact on Virginia jurisdictional customers.

In addition, Delmarva is requesting retroactive approval or an exemption for transactions involving the sale and contribution of excess undeveloped real property to DCI, Delmarva Services Company and Delmarva Capital Realty Company; i.e., property not necessary to the operation of its utility business. Delmarva stated that it did not have the right of eminent domain in Delaware and, therefore, was occasionally obligated to purchase larger parcels of land than were necessary for utility purposes. The book value of the real property transferred amounted to approximately $2.9 million of which approximately $2.6 million of such property may have been included in Virginia jurisdictional cost of service studies at various points in the past. In addition, approximately $6.8 million (after taxes) was realized from sales of some of such properties.

And finally, Delmarva requests retroactive approval of capital contributions, in excess of $91 million, made to its direct subsidiaries.

Delmarva stated that it did not request Commission approval for any of the transactions because: 1) the services had no affect on electric services rendered to Virginia jurisdictional customers; 2) any revenue assigned to Virginia customers was a *de minimis* amount (management fee agreement); 3) no revenue or expense related to the miscellaneous support services was included in a Virginia cost of service study; 4) the power plant was not located in Virginia and virtually all of the power generated was used to serve Star Enterprise (an adjacent industrial customer); and 5) the real property transactions involved property located outside the Commonwealth of Virginia and had no impact on Virginia customers.

On October 7, 1998, Staff filed a report detailing the results of its review and recommending denial of the requested approvals. Staff stated that it believed that the above transactions came within the purview of Chapter 4 of Title 56 of the Code of Virginia and that prior approval should have requested. Staff also noted that retroactive approval was unwarranted for the management fee arrangement due to the subsequent reorganization of Delmarva and the implementation of a new accounting system that eliminates the need for a monthly management fee. Staff did not believe that the Commission should approve any of the transactions because the Applicants have not provided the needed assurance that no cross subsidization has occurred among Delmarva and its affiliates in providing services. Neither have the Applicants provided the needed assurance that ratepayers have not been harmed by the real estate or capital contributions transactions. Finally, it was Staff's position that, since the applicant corporations have been extensively reorganized, no public purpose would be served by granting such approval.

In its report Staff noted that it had discussed its concerns with Delmarva and that Delmarva represents that, in light of those concerns and the Commission's policy established in Case No. PUE830029, it would offer to make a one time refund of $76,000 to Virginia ratepayers. In a letter dated October 8,1998, counsel for Delmarva confirmed that it would make such refunds on its customers' bills within 60 days after entry of a Commission order directing such refunds.

NOW THE COMMISSION, upon consideration of the joint application and representations of the Applicants and having been advised by its Staff, is of the opinion and finds that Applicants' request for approval of the above referenced transactions should not be granted. We will deny Applicants' request for approval but will require no further action on the part of Applicants except the agreed upon refund. While we require no further action in this proceeding, we will, in the future, expect Applicants to file for prior approval of all of their affiliate transactions consistent with the statutory requirements of § 56-77. Accordingly,

IT IS ORDERED THAT:

(1) The joint application is hereby denied.

(2) On or before 60 days from the date of this Order, Delmarva shall complete the above referenced $76,000 refund to its Virginia ratepayers.

(3) The refund ordered in Paragraph (2) may be accomplished by credit to the appropriate customer's account for current customers.

(4) On or before February 1, 1999, Delmarva shall file with the Commission's Division of Public Utility Accounting a document showing that all refunds have been lawfully made pursuant to this Order and itemizing the cost of the refund and accounts charged. Such itemization of costs shall include, inter alia, computer costs, and the personnel-hours, associated salaries and cost for verifying and correcting the refund methodology and developing the computer program.

(5) Delmarva shall bear all costs of the refunding directed in this Order.

(6) There being nothing further to come before the Commission, this matter shall be removed from the docket and the papers placed in the file for ended causes.

CASE NO. PUA960076
FEBRUARY 17, 1998

COMMONWEALTH OF VIRGINIA, ex rel.
VIRGINIA DEPARTMENT OF TRANSPORTATION, DAVID H. GEHR, COMMISSIONER,
Complainant
v.
TOLL ROAD INVESTORS PARTNERSHIP II, L.P.,
Defendant

ORDER FURTHER REVISING REPORTING REQUIREMENT

Before the Commission is the Toll Road Investors Partnership II, L.P. ("Toll Road Investors") "Status Report and Request for Revised Order" filed January 22, 1998. According to this filing, Toll Road Investors made on January 16, 1998, an additional payment to the Virginia Department of Transportation of $500,000 applied to its indebtedness to the Department. In addition, Toll Road Investors and the Department have agreed to a final payment on or before July 31, 1998, or the successful refinancing of Toll Road Partners' debt, whichever occurs earlier. Toll Road Investors requested the Commission to modify the reporting requirement established in the July 24, 1997 Order Revising Reporting Requirement to require only a final report when the indebtedness to the Department is satisfied.

Upon consideration of the request, the Commission will modify the reporting requirement. Accordingly,

IT IS ORDERED THAT:

(1) Within five business days of making its final payment to the Department, Toll Road Investors shall file with the Clerk of the Commission a certificate signed by an appropriate representative of the partnership stating the date and amount of the payment of the balance due to the Department and shall simultaneously serve a copy of this report on the Director, Division of Economics and Finance, State Corporation Commission, P.O. Box 1197, Richmond, Virginia 23218-1197, and on counsel to the Department of Transportation.

(2) Within five working days of receipt of the certificate ordered in (1) above, the Virginia Department of Transportation shall file with the Clerk of the Commission a certificate signed by an appropriate official acknowledging receipt of the payment, and stating the amount of any indebtedness still outstanding and shall simultaneously serve a copy of this certificate on counsel to Toll Road Investors and on the Director of Economics and Finance.

(3) In the event it has not made final payment of all indebtedness to the Department by July 31, 1998, Toll Road Investors shall file with the Clerk of the Commission on or before August 7, 1998, a report on the status of any payments made and any plans for discharge of the indebtedness and shall simultaneously serve a copy of the report on counsel to the Department of Transportation and on the Director of the Division of Economics and Finance.

(4) Toll Road Investors shall file and serve reports providing the information required in (3) above on the 7th day of each month (or the next Commission business day) until further order of the Commission.

CASE NO. PUA970002
APRIL 30, 1998

APPLICATION OF
MCI COMMUNICATIONS CORPORATION

For approval of the acquisition of control of MCI Telecommunications Corporation of Virginia and MCImetro Access Transmission Services of Virginia, Inc. by Concert plc

DISMISSAL ORDER

By Commission Order dated June 11, 1997, MCI Communications Corporation was granted approval for the change of control of MCI Telecommunications of Virginia, Inc., and MCImetro Access Transmission Services of Virginia, Inc., pursuant to an Agreement and Plan of Merger among British Telecommunications plc, MCI Communications Corporation, and Tadworth Corporation.

Pursuant to the Commission's June 11, 1997 Order, MCI Communications Corporation filed its Report of Action. As stated in the Report, the merger of MCI Communications Corporation and British Telecommunications plc originally contemplated has been terminated, and the transfer of control approved by the Commission will not be consummated. On consideration whereby,

IT IS ORDERED THAT there appearing nothing further to be done in this matter, the same be, and it hereby is, dismissed.

CASE NO. PUA970014
APRIL 24, 1998

APPLICATION OF
COMMONWEALTH GAS SERVICES, INC.
and
COLUMBIA SERVICE PARTNERS, INC.

For approval, under the Affiliates Act, of an agreement to provide services between affiliates

ORDER GRANTING APPROVAL

On March 19, 1997, Commonwealth Gas Services, Inc. ("Commonwealth," "the Company," "the Petitioner") and Columbia Service Partners, Inc. ("Partners," "Affiliate"), (collectively, "the Petitioners") filed a joint petition ("the Petition") under the Public Utility Affiliates Act for approval of an agreement to provide services and payment for those services between Commonwealth and Partners.

As stated in the Petition, Commonwealth is a natural gas distribution company serving approximately 165,000 customers in Central Virginia, Southside Virginia, Piedmont, and most of the Shenandoah Valley, as well as portions of Northern and Southwest Virginia. Partners intends to offer to Commonwealth's customers a wide variety of energy related services. These services include the following: safety inspections, appliance financing, billing insurance, appliance repair warranty, gas line repair warranty, merchandising of energy related goods, commercial equipment service, bill risk management products, consulting and fuel management services, electronic measurement services, and incidental services. Partners will not offer an appliance repair warranty to Commonwealth's customers in affiliation with Commonwealth. Commonwealth and Partners state in their Petition that they reserve the right to file a petition regarding appliance repair programs at a future date.

As stated in the Petition, Commonwealth proposes to serve as a conduit for Affiliate's advertisement of its new services to Commonwealth's customers by the use of bill inserts and/or messages and as a conduit for billing Partners' charges related to the provision of new services to Commonwealth customers who choose to receive such services. This Petition seeks approval of an Agreement Between Affiliated Interests ("the Agreement") between Commonwealth and Partners. Under the Agreement, Commonwealth will provide accounting, administrative, billing, and other related services to Partners at cost in its efforts to offer new energy related services to Commonwealth's customers. According to the Agreement, any such accounting, administrative, billing, and other related services provided by the Company to Affiliate will be billed at cost, including salaries and wages, benefits, payroll taxes, and all other out-of-pocket expenses incurred by Commonwealth to provide these services. To the extent Commonwealth is billed for services provided by either Columbia Gas of Ohio, Inc., or Columbia Gas System Service Corporation, in order for Commonwealth to fulfill its agreement with Partners, such costs will be passed on to Partners. Commission Orders in Case Nos. PUA900018, PUA890003, PUA880042, and PUA870060 provide for certain administrative and other services to be provided to Commonwealth by these affiliated companies.

As stated by Commonwealth and Partners, to ensure that Affiliate does not receive a competitive advantage by virtue of its affiliate relationship with Commonwealth, all providers of energy related services to Commonwealth's customers will have the same access to such services. Such access will be on a non-discriminatory basis and on the same terms and conditions as Partners will receive from Commonwealth.

As Partners offers new services to customers, changes will be required in Commonwealth's billing systems. Commonwealth states that it will need to ensure the integrity of the utility portion of the bill and that existing procedures continue to charge Partners appropriately for costs and to respond to questions from Partners' employees regarding bill rendering and cash collections. Account classifications have been established to bill Partners for labor time involved in these activities.

Staff filed its Report on January 23, 1998. In its Report, Staff recommended approval of the Agreement but only to support those services that are currently planned to be offered by Partners to customers in Virginia and which have been shown to be related and incidental to Commonwealth's provision of utility service to its customers in Virginia. On February 20, 1998, the Petitioners filed their response ("the Response") to Staff's Report. In the

Response, the Petitioners elaborated on the services to be provided by Partners and requested that the Commission approve the Agreement to support all services to be provided by Partners.

THE COMMISSION, upon consideration of the Petition and representations of the Petitioners and having been advised by its Staff, is of the opinion and finds that the proposed Agreement Between Affiliated Interests between Commonwealth and Affiliate is in the public interest and should be approved, subject to the following modifications. In granting this approval, we note the Petitioners' representation ensuring that all providers of energy related services will have the same access to Commonwealth's services on a non-discriminatory basis.

We will modify the Agreement to provide for the pricing of services to Partners by Commonwealth at the higher of fully distributed cost, to include a return component, or the market price for such services. If a market price is determined to not be available, Commonwealth shall provide evidence of this in its Annual Report of Affiliate Transactions and in any future rate cases. We are of the further opinion that, since Partners is not a subsidiary of Commonwealth, it is not necessary in this case to determine whether the services to be provided by Partners to customers are related and incidental to Commonwealth's provision of utility service to its customers. Accordingly,

IT I S ORDERED THAT:

1) Pursuant to § 56-77 of the Code of Virginia, Commonwealth Gas Services, Inc., is hereby granted approval of the Agreement Between Affiliated Interests between Commonwealth and its affiliate, Columbia Service Partners, Inc., under the terms and conditions and for the purposes as described and as modified herein.

2) Pricing of services from Commonwealth to Partners shall be at the higher of fully distributed cost, to include a return component, or the market price for such services.

3) If Commonwealth determines that such market price is not available, the Company shall be required to provide evidence of this in its Annual Report of Affiliate Transactions and in any future rate cases.

4) Should any of the terms and conditions of the Agreement change from those contained herein, Commission approval shall be required for such changes.

5) The approval granted herein shall not preclude the Commission from exercising the provisions of §§ 56-78 and 56-80 of the Code of Virginia hereafter.

6) The Commission shall have the authority to examine the books and records of any affiliate in connection with the approval granted herein whether or not such affiliate is regulated by the Commission, pursuant to § 56-79 of the Code of Virginia.

7) The Company shall file copies of any reports filed with the Securities and Exchange Commission regarding this Petition with the Director of Public Utility Accounting of the Commission.

8) The Company shall file an Annual Report of Affiliate Transactions with the Director of Public Utility Accounting of the Commission by May 1, 1999, for the preceding calendar year, and each subsequent year thereafter. The report shall include all affiliate contracts or arrangements, including the Agreement approved herein, regardless of the amount involved and shall supersede all previous reporting requirements for affiliate transactions. The report shall contain the following:

a) Affiliate's name;

b) Description of each affiliate arrangement/agreement;

c) Dates of each affiliate arrangement/agreement;

d) Total dollar amount of each affiliate arrangement/agreement;

e) Component costs of each arrangement/agreement where services are provided to an affiliate (i.e., direct/indirect labor, fringe benefits, travel/housing, materials, supplies, indirect miscellaneous expenses, equipment/facilities charges, and overhead);

f) Profit component of each arrangement/agreement where services are provided to an affiliate and how such component is determined;

g) Comparable market values and documentation related to each arrangement/agreement;

h) Percent/dollar amount of each affiliate arrangement/agreement charged to expense and/or capital accounts; and

i) Allocation bases/factors for allocated costs.

9) There appearing nothing further to be done in this matter, the same be, and it hereby is, dismissed.

CASE NO. PUA970019
MAY 14, 1998

APPLICATION OF
WASHINGTON GAS LIGHT COMPANY

For approval to enter into service agreements with selected subsidiaries

ORDER GRANTING APPROVAL

Washington Gas Light Company ("WGL", "the Company", "the Applicant") has filed an application with the Commission under the Public Utilities Affiliates Act for approval to enter into Service Agreements with the following affiliates: Washington Gas Resources Corp., Washington Gas Consumer Services, Inc., and Washington Gas Energy Systems, Inc., (collectively referred to as "the Affiliates"). The Service Agreements provide for the purchase, sale, lease or exchange of certain property and services between the subsidiaries and WGL.

Under the proposed Service Agreements, service and sales arrangements can be provided by WGL to each subsidiary and by each subsidiary to WGL. WGL states in its application that all goods and services will be provided at cost. The Applicant additionally states that the sale price of goods transferred to or from affiliated companies will be based on approved tariffs in effect at the time of the sale or transfer. If the sale is not covered by a tariff, the sales price of items transferred between affiliated companies will be based on the net book value at the time of transfer.

WGL proposes to operate Washington Gas Resources Corp. as a holding company for its non-utility operations and Washington Gas Consumer Services, Inc., ("WGCS") as a vehicle to market and provide various services such as appliance inspections to utility customers. Washington Gas Energy Systems, Inc., ("WGES") formerly a division of WGL, will provide the commercial market with methods and products for increasing the energy efficiency of buildings. The Company states that this application is designed to extend to additional subsidiaries those arrangements made in 1988.

In 1988, in Case No. PUA880021, WGL received authority from the Commission to enter into Service Agreements with its then existing subsidiaries: Frederick Gas Company, Inc., Shenandoah Gas Company ("Shenandoah"), Crab Run Gas Company, Hampshire Gas Company, Virginia Intrastate Pipeline Company, Washington Resources Group, Inc., Advanced Marketing Concepts, Inc., AMTI Heating Products, Inc., Brandywood Estates, Inc., and Davenport Insulation, Inc. The Service Agreements allowed Washington Gas and its subsidiaries to provide accounting, legal, financial, management, and other services to each other in a cost efficient manner.

WGL states, in its application, that it has specialists who are experienced in the operations of gas utilities and related businesses along with appropriate facilities and equipment through which it is prepared to furnish services. As stated in the application, the rendition of such services on a centralized basis will enable the Washington Gas Resources Corp. ("WGRC") to realize substantial economic and other benefits. The Applicant further states that the execution of this service agreement establishes procedures to allocate costs that will further ensure that utility customers do not subsidize non-utility operations.

NOW THE COMMISSION, upon consideration of the application and representation of the Applicant and having been advised by its Staff, is of the opinion and finds that the above-described Service Agreements will be in the public interest and should be approved subject to the pricing policy as outlined in the Commission's Order dated August 8, 1997, in Case No. PUC960136, where services are not tariffed. Approval of this application is also subject to the following restrictions. Approval of the Service Agreements should only be to support the provision of miscellaneous consumer products, such as fire extinguishers, and the Commercial Finance Program services provided by WGCS and the provision, to the commercial market, of methods and products for increasing energy efficiency of buildings such as conversion to natural gas operations. With regards to the transfer of equipment or goods, approval granted herein should only be for assets being transferred at values of $100,000.00 or less. Pricing for such transfers should be based on approved tariffs. If tariffs are not applicable, then the price should be based on the lower of cost, plus a reasonable profit or market where goods or equipment are being purchased by Shenandoah or WGL. Where Shenandoah and WGL are providing goods or equipment, pricing should be based on the higher of cost, plus a reasonable profit or market. The approval granted herein does not constitute approval under Chapter 5, the Utility Transfers Act. Accordingly,

IT IS ORDERED THAT:

1) Pursuant to § 56-77 of the Code of Virginia, Washington Gas Light Company is hereby granted approval to enter into the Service Agreements under the terms and conditions and for the purposes as described herein subject to the following modifications. Where services are not tariffed, to ensure that the Service Agreements continue to be in the public interest, WGL and Shenandoah shall price services provided at the greater of market or cost, plus a reasonable return. Additionally, services shall be received at the lower of market or cost, plus a reasonable return. Services provided to Shenandoah from WGL and services received by WGL from Shenandoah shall be priced at cost. WGL and Shenandoah shall maintain evidence of this pricing policy to be available for Commission Staff review as needed.

2) The Service Agreements are approved only to support the provision of miscellaneous consumer products, such as fire extinguishers, and Commercial Finance Program services provided by WGCS and the provision, to the commercial market, of methods and products for increasing energy efficiency of buildings such as conversion to natural gas operations by WGES. Subsequent Commission approval shall be required to support the provision of any additional services.

3) Washington Gas Light Company and Shenandoah Gas Company shall include evidence or documentation in their Annual Report of Affiliate Transactions of any unsuccessful attempts to acquire market price. The determination of market price shall be an ongoing process using methods such as competitive bids, appraisals, catalog listings, replacement cost of assets, and sales to third parties.

4) The Company shall include in all general rate proceedings and Annual Informational Filing evidence that the pricing policy stated herein has been followed.

5) The approval granted herein shall have no ratemaking implications.

6) The approval granted herein shall not preclude the Commission from exercising the provisions of §§ 56-78 and 56-80 of the Code of Virginia hereafter.

7) Should there be any changes in the terms and conditions of the Service Agreements from those contained herein, Commission approval shall be required for such changes.

8) Prior Commission approval shall be required for any transfer of goods or equipment valued over $100,000.00.

9) The Commission reserves the authority to examine the books and records of any affiliate in connection with the authority granted herein whether or not such affiliate is regulated by the Commission, pursuant to § 56-79 of the Code of Virginia.

10) The Applicant shall file an Annual Report of Affiliate Transactions with the Director of Public Utility Accounting of the Commission by no later than May 1 of each year, for the preceding calendar year, beginning May 1, 1999, subject to extension by the Director of Public Utility Accounting of the Commission. Information to be included in the Report is as follows: 1) affiliate's name; 2) description of each affiliate arrangement/agreement; 3) dates of each affiliate arrangement/agreement; 4) total dollar amount of each affiliate arrangement/agreement; 5) component costs of each arrangement/agreement where services are provided to an affiliate (i.e., direct/indirect labor, fringe benefits, travel/housing, materials, supplies, indirect miscellaneous expenses, equipment/facilities charges, and overhead); 6) profit component of each arrangement/agreement where services are provided to an affiliate and how such component is determined; 7) comparable market values and documentation related to each arrangement/agreement; 8) percent/dollar amount of each affiliate arrangement/agreement charged to expense and/or capital accounts; and 9) allocation bases/factors for allocated costs. The report shall include all agreements with affiliates regardless of amount involved and shall supersede all other affiliate reporting requirements previously ordered.

11) If Annual Informational and/or General Rate Case Filings are not based on a calendar year, then the Applicant shall include the affiliate information contained in the Annual Report of Affiliate Transactions in such filings.

12) There appearing nothing further to be done in this matter, the same be, and it hereby is, dismissed.

CASE NO. PUA970025
JANUARY 27, 1998

APPLICATION OF
GTE SOUTH INCORPORATED

For approval of the ChoiceBilling Services Agreement

ORDER GRANTING APPROVAL

GTE South Incorporated ("GTE South", "the Company", "the Applicant") and GTE Intelligent Network Services Incorporated ("GTEINS") have filed a Joint Application with the Commission under the Public Utilities Affiliates Act for approval of an affiliate agreement. The agreement is referred to as the ChoiceBilling Billing Services Agreement ("ChoiceBilling", "ChoiceBilling Agreement") and has an effective date of February 1, 1996.

ChoiceBilling Service is a standard billing and collection agreement which provides for the processing, packaging and distribution of billing records, and/or invoices to other telecommunications providers for billing to their customers or the direct billing to, and collection from, those customers. GTE South states, in its application, that the ChoiceBilling platform is necessary for the billing of GTEINS' messages, both within and outside a GTE Telephone Operating Company's ("GTOC's") service territory. The Company additionally states that, as a result of ChoiceBilling, GTEINS' billing format will be converted from a proprietary to an industry standard billing format.

As stated in the application, the pricing, terms, and conditions contained in the ChoiceBilling Agreement are similar to the pricing, terms, and conditions available to other companies with equivalent volumes. Pursuant to the terms and conditions of the ChoiceBilling Agreement, GTE South is not responsible for uncollectible amounts related to GTEINS' services, and the Company will not terminate local exchange service for failure to pay such billing charges, except when such charges are related to GTE South's certificated service area within Virginia.

The Company represents that approval of the ChoiceBilling Agreement will not result in GTE South providing any subsidy to GTEINS or any other non-regulated entity, nor will the Company be exposing itself to any unnecessary business risk. As stated by the Applicant, the proposed ChoiceBilling Agreement will be beneficial to the Company's ratepayers in Virginia. The Agreement should provide an additional revenue stream to the Company since its billing systems and procedures can be modified to accomplish end-user message processing and bill rendering for these non-regulated entities. The Company further represents that, when completed, the additional message volumes should increase the economies of scale for the Company's billing center, resulting in an overall productivity gain.

The parties are seeking prospective approval of the ChoiceBilling Agreement. In that regard, GTE South has voluntarily agreed to remove any revenues and/or related expenses associated with this arrangement from its Annual Informational Filings.

NOW THE COMMISSION, upon consideration of the application and representation of the Applicant and having been advised by its Staff, is of the opinion and finds that the above-described ChoiceBilling Services Agreement will be in the public interest and should be approved subject to the pricing policy as outlined in the Commission's Order dated August 7, 1997, in Case No. PUC950019. To ensure that the ChoiceBilling Agreement continues to be in the public interest, GTE South should price services provided at the greater of market or cost plus a reasonable return. The Company should maintain evidence of this pricing policy to be available for Commission Staff review as needed. GTE South shall include evidence or documentation in its Annual Report of Affiliate Transactions of any unsuccessful attempts to acquire market price. The determination of market shall be an ongoing process using methods such as competitive bids, appraisals, catalog listings, replacement cost of assets and sales to third parties. Accordingly,

IT IS ORDERED THAT:

1) Pursuant to § 56-77 of the Code of Virginia, GTE South is hereby granted approval to enter into the ChoiceBilling Services Agreement under the terms and conditions and for the purposes as described herein subject to the following pricing policy. When the utility sells goods/services to an affiliate, the utility must recover from the affiliate the greater of cost plus a reasonable return or market price.

2) The approval granted herein shall expire on January 31, 1999, and any extensions of the ChoiceBilling Agreement shall require subsequent Commission approval.

3) The Company shall include in all general rate proceedings and Annual Informational Filings evidence that the pricing policy stated herein has been followed.

4) The approval granted herein shall have no ratemaking implications.

5) The approval granted herein shall not preclude the Commission from exercising the provisions of §§ 56-78 and 56-80 of the Code of Virginia hereafter.

6) Should there be any changes in the terms and conditions of the ChoiceBilling Agreement from those contained herein, Commission approval shall be required for such changes.

7) The Commission reserves the authority to examine the books and records of any affiliate in connection with the authority granted herein whether or not such affiliate is regulated by the Commission, pursuant to § 56-79 of the Code of Virginia.

8) The Applicant shall file an Annual Report of Affiliate Transactions with the Director of Public Utility Accounting of the Commission by no later that May 1 of each year beginning May 1, 1998. Information to be included in the Report is as follows: 1) affiliate's name; 2) description of each affiliate transaction; 3) dates of each affiliate transaction; 4) total dollar amount of each affiliate transaction; 5) component costs of each transaction where services are provided to an affiliate (i.e., direct/indirect labor, fringe benefits, travel/housing, materials, supplies, indirect miscellaneous expenses, equipment/facilities charges, and overhead); 6) profit component of each transaction where services are provided to an affiliate; 7) comparable market value of each transaction where services are provided to an affiliate; 8) percent/dollar amount of each affiliate transaction charged to expense and/or capital accounts; 9) allocation bases/factors for allocated costs, and 10) comparative market values/documentation where services are received from an affiliate. The report shall include all agreements with affiliates regardless of amount involved and shall supersede all other affiliate reporting requirements previously ordered.

9) If Annual Informational and/or General Rate Case Filings are not based on a calendar year, then the Applicant shall include the affiliate information contained in the Annual Report of Affiliate Transactions in such filings.

10) There appearing nothing further to be done in this matter, the same be, and it hereby is, dismissed.

CASE NO. PUA970035
MARCH 4, 1998

APPLICATION OF
APPALACHIAN POWER COMPANY

For approval of affiliate transactions with AEP Communications, LLC

ORDER GRANTING APPROVAL

Appalachian Power Company ("APCO," "Appalachian," "the Company," or "the Applicant") has filed an application with the Commission under the Public Utilities Affiliates Act requesting approval of certain affiliate transactions with AEP Communications, LLC ("AEPC" or "Affiliate"). AEPC is a Virginia limited liability company with its sole member being AEP Communications, Inc., an Ohio corporation. AEP Communications, Inc., is a wholly-owned subsidiary of American Electric Power ("AEP"), a registered public utility holding company under the Public Utility Holding Company Act ("PUHCA"). AEP Communications, Inc., has been granted exempt telecommunications company ("ETC") status by the Federal Communications Commission (the "FCC"). AEPC's application to become an ETC has been granted by the FCC. As an ETC, AEPC is authorized to provide telecommunications, information, and related services and products to the public, notwithstanding historic restrictions in PUHCA on the ability of registered holding companies to provide such non-core offerings.

In the Telecommunications Act of 1996 (the "1996 Act"), Congress sought to promote competition in the telecommunications industry by allowing, for the first time, utilities subject to PUHCA to provide communications and related services through ETCs. Pursuant to this mandate, AEPC seeks to provide facilities and services, primarily to existing and emerging competitors in the communications market. Specifically, AEPC intends to provide fiber capacity to carriers and other entities requiring dedicated, non-switched service and to use available land for the construction and operation of towers for Personal Communications Services ("PCS"), cellular, and other wireless providers. AEPC also intends to provide state-of-the-art communications services to its utility affiliates, thereby supporting growth of the utilities' voice and data communications and allowing them to improve their operational efficiency and better serve their customers.

In its application, APCO requests approval of the following:

1) Approval of a Fiber Optic Agreement between APCO and AEPC governing transactions associated with the construction of a new fiber optic line between Charleston, West Virginia, and Roanoke, Virginia, and future fiber transactions between APCO and AEPC.

2) Approval of a services agreement between APCO and AEPC pursuant to which APCO will provide to AEPC certain services in connection with new fiber construction, maintenance of new and existing fiber optic lines, and general administrative and other support services.

3) Approval of a services agreement between APCO and AEPC pursuant to which AEPC will provide telecommunications, information, and related services to APCO.

4) Approval of a methodology governing the transfer of various assets to include the Greenfield Sites, land to be used for the construction and operation of towers for PCS, cellular, and other wireless providers.

5) Approval of a procedure for providing for the annual submission of a report of affiliate transactions between APCO and AEPC, and the filing of a notice to the Commission of any proposed asset transfer having a value in excess of $1 million per transaction.

By Commission Order Granting Motion for Temporary Authority dated September 29, 1997, APCO was granted temporary authority to lease to AEPC ten unused ("dark") fibers contained in fiber optic telecommunications facilities in West Virginia. Such leasing was to be at the greater of market or cost.

Fiber Optic Agreement

APCO requests approval of a proposed Fiber Optic Agreement with AEPC governing the transactions associated with the lease of fibers by APCO to AEPC on a new 150-mile fiber optic facility between Charleston, West Virginia, and Roanoke and on an existing Columbus, Ohio, to Charleston, West Virginia line. The proposed Fiber Optic Agreement will govern future fiber transactions between the parties. Each lease transaction will be memorialized with a lease addendum.

The New Charleston-Roanoke Fiber Optic Line:

Under the Fiber Optic Agreement, APCO will install a new optical ground wire containing a 48-fiber core on its transmission facilities between Charleston and Roanoke. AEPC will lease all forty-eight fibers through a 25-year capital lease with a five-year renewal option.

The lease payment for the facility will be a one-time payment by AEPC to the Company of the actual construction cost of the facility, estimated to be $7.8 million. AEPC also will pay its pro rata share of maintenance and repair, insurance, property taxes, and distribution pole attachment fees, and other similar costs. In addition, Affiliate will make an in-kind facilities fee payment to APCO in the form of dark (unused) fiber and transmission capacity that is needed for core utility communications. Affiliate will provide four fibers to APCO for utility services such as low-speed, short haul traffic. AEPC will also provide APCO with capacity equivalent to up to one DS-3 private line on the route for high-speed long haul service. APCO states that the package (exclusive of the one-time lease payment) has a present value of $3.15 million.

APCO represents that, under this transaction, the Company receives, at no cost to electric customers, dark fiber and long-haul capacity in order to support its internal voice and data communications needs. The Company further states that the transaction will thus allow APCO to improve operational efficiency and better serve its customers, and allow Affiliate to provide a new source of state-of-the-art communications infrastructure in the Virginia market.

AEPC Lease of Certain Fibers on the Columbus-Charleston Line:

The fiber optic facility that AEPC seeks to develop contemplates the capital lease of ten dark fibers currently owned in part by APCO on the Columbus, Ohio, to Charleston, West Virginia fiber optic line. This line is a 210 mile, 20-fiber facility built between 1988 and 1993 by APCO, along with its affiliates, Columbus Southern Power Company, Ohio Power Company, and Kentucky Power Company. The Charleston to Columbus line is contained primarily in the ground wire running along the transmission towers between the two cities. A portion of this line was in APCO's rate base as of December 19, 1995. APCO requests approval to lease ten fibers to Affiliate.

As indicated in the Fiber Optic Agreement, AEPC seeks to lease these ten fibers through a 25-year capital lease with a five-year renewal option comparable to the lease of the Charleston-Roanoke line. As stated in the original application, AEPC would make annual lease payments to APCO and its affiliates equal to the annual depreciation charged on ten fibers, plus cost of capital, such that the present value of the lease payments would be approximately $3.8 million, or the prorated current book value of the ten fibers as of March 31, 1997. By amendment filed October 24, 1997, AEPC will instead make a one-time lease payment to APCO and its affiliates equal to the greater of the net book value of the fibers or the fair market value at the time of transfer. Affiliate also will pay is pro rata share of maintenance and repair, insurance, property taxes, distribution pole attachment fees, and other similar costs. AEPC will also make an in-kind facilities fee payment of telecommunications capacity equivalent to up to one DS-3 private line for high-speed long haul service which the Company indicates has a present value over the life of the lease of up to $2.4 million. APCO states that the transaction results in additional benefits to APCO including reduced maintenance and related costs (that will now be shared with AEPC).

Service Agreement for the Provision by Appalachian Power Company of Certain Services to AEP Communications, LLC

The Service Agreement for the Provision by Appalachian Power Company of Certain Services to AEP Communications, LLC (the "Service Agreement") is for the provision by APCO of the following services:

1) Facilities Management-APCO will provide services and consultation for the construction related equipment, facilities, and products such as fiber optics, tower, and antenna installations. Other services will include engineering, design, operations, and maintenance of such equipment, facilities, and products as well as services related to the solicitation and approval of outside contractors for communication equipment purchases and construction services. APCO also will monitor the work of contractors for purposes of cost control adherence to contract terms as well as review safety standards.

2) Procurement-APCO will provide services related to the procurement of equipment and store items.

3) Land Management-APCO will provide services and advice relating to real estate such as procurement and evaluation of site appraisals and procurement of site maintenance services.

4) Consumer Services-The Company will provide services and consultation relating to customer end-use needs such as applications of communications and energy information services.

5) Corporate Services-APCO will provide the leasing of office space, furnishings, equipment, and supplies as well as services and consultation relating to the maintenance of leased facilities and assistance with securing, maintaining, and administering vehicular and additional types of transportation.

6) Information Systems-The Company will provide to AEPC services and consultation related to information services including computer resources availability, hardware management, software development, and network support.

As indicated in responses to Staff inquiries, to the extent that costs incurred by APCO in connection with providing services to Affiliate can be identified and related to a particular transaction, direct charges will be made by APCO to AEPC. Direct charges will be billed whenever possible and will include direct labor and direct miscellaneous charges. Indirect labor costs that cannot be charged on a specific person-hour basis for identified services will be allocated in proportion to the direct labor charged. Indirect miscellaneous costs are expenses and overheads that cannot be specifically identified with a particular service provided but which indirectly make a contribution to that service. These charges will be allocated in the same manner as indirect labor charges in proportion to the direct labor charged. Fringe benefit charges will cover the fringe benefit costs associated with the labor charges for services provided and are applied to both direct and indirect labor. These charges include payroll tax, group hospitalization, dental, life, savings plan, retirement plans, workers' compensation, unemployment compensation, and disability plans. Office space, equipment, and facilities used in providing services will be allocated based on the labor charges.

Service Agreement for the Provision by AEPC of Telecommunications and Related Services to Appalachian

The Service Agreement for the Provision by AEPC of Telecommunications and Related Services to Appalachian is for the provision of the following services by AEPC:

1) Communication services to include services and consultation related to utility communications requirements such as transport services for DS-1, DS-3, and OC-3 capacity and other communication services to support operating company internal voice and data communication needs.

2) Information services to include services and consultation relating to utility company information and communication needs associated with providing energy consumption and management information.

For services provided by AEPC to APCO, APCO agrees to pay AEPC its standard market price.

Concerning the Agreement for the Provision of Services by APCO of Certain Services to AEPC, in response to Staff inquiries regarding the pricing of services to AEPC by APCO, the Company states that transactions between the utility and AEPC should be priced on an arm's length basis to the maximum extent possible. APCO states that, wherever possible, services should be provided by the utility to AEPC at market rates. Where the utility is providing a service to unaffiliated third parties, the price for that service should be the result of an arm's length negotiation and reflect what a willing buyer with alternatives would pay to a willing seller. In such a case, APCO states that it believes that the price paid by the third party in an arm's length transaction is the best indicator of the market price of the service and is the price that AEPC should pay for that service as well. The Company further states that, in certain circumstances, services that AEPC seeks to purchase from APCO may not be provided to third parties and that there may not be a readily obtainable market price in that situation. Under those circumstances, the Company feels that it is reasonable to use fully distributed costs as a basis to set the price at which a service will be provided to Affiliate.

APCO acknowledges that, as a general rule, if there is a prevailing market price for a service, it would be appropriate for Affiliate to pay that market price even when it is higher than cost. However, the Company goes on to state that it does not follow that, if APCO's fully distributed cost is above the market price, AEPC should be required to pay that fully distributed cost for the service. Unless the utility is the only provider, AEPC should not be required to buy services from APCO and would not do so if it were forced to pay an above-market price for the services provided. The Company states that paying an above-market price could put Affiliate at a competitive disadvantage. Similarly, APCO is not required to provide services to AEPC and would not do so unless the services were priced above its incremental costs.

Concerning the Agreement for the Provision by AEPC of Telecommunications and Related Services to APCO pursuant to which AEPC proposes to provide services to APCO at the prevailing market price, the Company represents that AEPC should not be providing services to APCO at the lower of cost or market. The Company indicates, in its responses to Staff inquiries, that where an affiliate is providing its services in a competitive market and where a substantial portion of its revenues comes from unaffiliated entities, marketplace forces prevent the affiliate from manipulating market price to gain a subsidy from the regulated company. APCO further states that to offer such services to both regulated companies and the competitive marketplace at an artificially high market price would be economically irrational. This is because any revenue from above market prices to the regulated company would be offset by lost sales in the competitive marketplace. Under such circumstances, the non-regulated affiliate would not be able to afford to charge an inflated price for its services and remain a viable competitor in the marketplace. APCO further represents that ratepayers are not harmed in paying a market price that is greater than Affiliate's cost, because the utility does not otherwise have an opportunity to pay less than market price.

Concerning the Company's request for approval of a proposed methodology for the sale or lease of assets from APCO to AEPC, APCO would like to be able to sell or lease assets subject to some type of prior approval without getting specific approval for each transaction. In its application, the Company refers to the "Greenfield Sites." This represents utility owned parcels of undeveloped land to be transferred for siting wireless telecommunications facilities in accordance with AEPC's plans to market antenna sites and construction support to existing and new wireless providers. The Company does not anticipate that such transactions will be frequent, and the dollar amounts will vary. The Company proposes a $1 million threshold for providing advance notice of such transactions which would satisfy AEPC's need to be able to move quickly in a competitive market and allow the Commission to follow an efficient policy of requiring pre-notification only for material transactions. The Company seeks such a threshold to be able to consummate small transactions between AEPC and the utilities in a timely fashion and to be able to react quickly and nimbly to competitive forces without unnecessary regulatory delays.

NOW THE COMMISSION, upon consideration of the application and representations of the Applicant and having been advised by its Staff, is of the opinion and finds that the Fiber Optic Agreement appears to be in the public interest under the terms and conditions as described in the application.

The Service Agreement for the Provision by Appalachian Power Company of Certain Services to AEP Communications, LLC, should be approved subject to the following modification regarding pricing of services provided. For services provided by APCO to AEPC, such services should be priced at the higher of fully distributed cost (to include a reasonable return) or the market price where a market price is available. If such price is not available, then fully distributed cost would be appropriate. The Commission feels that the Service Agreement for the Provision by AEPC of Telecommunications and Related Services to Appalachian is in the public interest and should be approved subject to the following modification. Regarding pricing of services provided, APCO should pay the lower of the market price or cost, plus a reasonable return, for services obtained from Affiliate. Such pricing is in accordance with the Commission's Order in Case No. PUC960136. APCO also should pay no more than it would pay if such services continue to be provided internally and included in APCO's cost of service.

Where it is most economical for the utility to purchase the products or services from the market, it should do so. Where it can save money by purchasing from an affiliate at the affiliate's cost, including a reasonable return for the affiliate on the sale, it should do that. Where the Applicant proposes that the Commission set rates based on charges from an affiliate, the charges must be based on the affiliate's cost, including a reasonable return so long as this cost does not exceed the market price. When a utility sells services or goods to an affiliate, the reverse is true. The utility must recover from the affiliate the greater of fully distributed cost (including a reasonable return) or the market price.

If a market price for certain services and goods does not exist, APCO shall include evidence or documentation in its Annual Report of Affiliate Transactions of its unsuccessful attempts to acquire such market price. The determination of market price shall be an ongoing process using methods such as competitive bids, appraisals, catalog listings, replacement cost of assets, and sales to third parties.

Regarding the Applicant's request for a notice requirement regarding asset transfers, the Commission does not feel that a $1 million threshold for providing advance notice of such transactions with no prior approval requirement for asset transfers is in the public interest. Such request is, therefore, denied. Instead, all such transfers with a value exceeding $100,000 should require prior Commission approval. For transfers with a value of $100,000 or less, an annual reporting requirement will be sufficient. However, the Applicant should follow the same pricing principles as described above relative to the service agreements. Concerning the approval of an annual reporting requirement for affiliate transactions, the Commission already has a requirement in place which APCO is currently required to follow. A similar procedure should be continued relative to the approvals granted herein. Accordingly,

IT IS ORDERED THAT:

1) Pursuant to § 56-77 of the Code of Virginia, Appalachian Power Company is hereby granted approval for the Fiber Optic Agreement and the transactions between APCO and AEPC associated with the construction of the Charleston-Roanoke fiber optic line, the lease of ten fibers on the Columbus-Charleston line from APCO to AEPC and future fiber transactions between the parties under the terms and conditions and for the purposes as described herein as long as payments are made at the greater of cost or market.

2) Pursuant to § 56-77 of the Code of Virginia, Appalachian Power Company is hereby granted approval of the proposed Service Agreement allowing APCO to provide certain services to AEPC under the terms and conditions and for the purposes as described herein and subject to the pricing modification that services be provided to AEPC at the higher of fully distributed cost (to include a reasonable return) or the market price.

3) Pursuant to § 56-77 of the Code of Virginia, Appalachian Power Company is hereby granted approval of the proposed Service Agreement allowing AEPC to provide telecommunications, information, and related services to APCO under the terms and conditions and for the purposes as described herein and subject to the pricing modification that services provided to APCO be priced at the lower of cost, plus a reasonable return, or the market price; and no more than if such services continue to be provided internally and included in the Company's cost of service.

4) Any changes in the terms and conditions in the agreements approved herein from those contained herein shall require Commission approval.

5) Pursuant to § 56-77 of the Code of Virginia, the proposed methodology for the transfer of assets from Appalachian Power Company to AEPC is hereby denied. All transfers of assets with a value exceeding $100,000 shall require prior Commission approval. Transfers of assets with values of $100,000 or less will not require prior approval but will instead be included in the Company's Annual Report of Affiliate Transactions. Such transfers will be priced according the pricing ordered above relative to the service agreements approved.

6) Pursuant to § 56-77 of the Code of Virginia, the Applicant's proposed procedure for filing annually with the Commission a description of all transactions undertaken pursuant to the approval granted and advance notice with the Commission of asset transfers in excess of $1 million is hereby denied.

7) The approvals granted herein shall not preclude the Commission from exercising the provisions of §§ 56-78 and 56-80 of the Code of Virginia hereafter.

8) The Commission shall have the authority to examine the books and records of any affiliate in connection with the approvals granted herein whether or not such affiliate is regulated by the Commission, pursuant to § 56-79 of the Code of Virginia.

9) The approvals granted herein shall have no ratemaking implications.

10) Any lease addenda executed in connection with the Fiber Optic Agreement shall be filed with the Director of Public Utility Accounting of the Commission within thirty days of execution. Any such lease addenda that change the terms and conditions of the Fiber Optic Agreement shall require Commission approval. Each such addendum shall include the amount of the lease payment and documentation as to how the payment was calculated.

11) Within thirty days of the date of this Order, the Applicant shall file a revised Fiber Optic Agreement with the Commission to reflect the amendment filed October 24, 1997.

12) The Applicant shall file an Annual Report of Affiliate Transactions with the Director of Public Utility Accounting by May 1 of each year, beginning May 1, 1999, for transactions for the prior calendar year. The report shall include all affiliate agreements/arrangements regardless of amount involved and shall supersede all previous reporting requirements for affiliate transactions. The report shall contain the following: 1) Affiliate's name; 2) Description of each affiliate arrangement/agreement; 3) Dates of each affiliate arrangement/agreement; 4) Total dollar amount of each affiliate arrangement/agreement; 5) Component costs of each arrangement/agreement where services are provided to an affiliate (i.e., direct/indirect labor, fringe

benefits, travel/housing, materials, supplies, indirect miscellaneous expenses, equipment/facilities charges, and overhead); 6) Profit component of each arrangement/agreement where services are provided to an affiliate and how such component is determined; 7) Comparable market values and documentation related to each arrangement/agreement; 8) Percent/dollar amount of each affiliate arrangement/agreement charged to expense and/or capital accounts; and 9) Allocation bases/factors for allocated costs.

13) There appearing nothing further to be done in this matter, the same be, and it hereby is, dismissed.

CASE NO PUA970038
FEBRUARY 12, 1998

JOINT APPLICATION OF
GTE SOUTH INCORPORATED
and
GTE LEASING CORPORATION

For approval of an affiliate agreement

ORDER GRANTING APPROVAL

GTE South Incorporated ("GTE South", "Company") and GTE Leasing Corporation ("GTELC") (the "Applicants") have filed an application with the Commission under the Public Utilities Affiliates Act requesting approval of an affiliate agreement between the Company and GTELC (hereinafter referenced as "Master Lease").

As stated in the application, GTE South is a Virginia corporation. It is a public utility, as defined in § 56-1 of the Code of Virginia, and is subject to the regulatory authority of the Commission. GTE South provides local exchange, access and intraLATA toll service within its certified service areas in Virginia. The Company is a wholly owned subsidiary of the GTE Corporation.

As stated in the application, GTELC is a Delaware corporation. It provides financing services for business customers of GTE who purchase telecommunications equipment from GTE subsidiaries. It also provides such financing services to GTE affiliates when the lease provides for the leasing of specific equipment. GTE Leasing is a wholly owned subsidiary of the GTE Corporation. As such, it is an affiliate of GTE, as defined in § 56-76, et seq. of the Code of Virginia.

As indicated in the application, the Master Lease does not represent or contemplate a specific transaction per se. It provides the general terms and conditions that will govern the parties when GTE South elects to lease specific equipment from GTELC in order to provide that equipment to a customer of GTE South.

Because the Master Lease is not an exclusive lease, it can be terminated at any time by either party. It is the same Master Lease agreement that GTELC uses with third party leases. When GTE South elects to lease specific equipment from GTELC, such equipment will be described in detail in a Schedule to the Master Lease. Equipment specific charges will depend on the type of equipment leased. Most, if not all, of the equipment contemplated under this agreement is customer premise equipment. Consequently, the lease payments will be charged to non-regulated accounts.

In a memorandum received by Staff from GTE South on December 19, 1997, GTE South clarified its original application with respect to the purposes and practices that will govern the Master Lease, as described below.

In general, when a GTE South customer accepts a proposal to acquire competitive telecommunications equipment ("customer premise equipment" or "CPE") from GTE South, the customer executes a sales or lease contract with GTELC. The customer then receives two monthly billings, one bill from GTE South for Network Services and one bill from GTELC for leasing equipment, or making payment on time for purchased equipment. In these situations, the equipment contract is between the third party customer and GTELC. GTE South is not a party to the contract, and the Master Agreement now before the Commission is not applicable.

This Master Lease will apply only to and will be utilized only for those few customers who wish a turnkey CPE installation and wish to receive only one bill from GTE South. To accommodate such customers, GTE South will sell the equipment to GTELC and lease it back. GTE South will then install the equipment on the customer's premises and bill the customer on its regular monthly network services bill for such equipment.

The Applicants represent that approval of this Agreement is in the public interest, because the competitive nature of the proposed contracts with end user customers for customer premise equipment ensures that GTE South will not subsidize GTELC.

THE COMMISSION, upon consideration of the application and representation of Applicant and having been advised by its Staff, is of the opinion that approval of the Affiliate Agreement is in the public interest and should be approved, subject to the pricing policy outlined in the Commission's Order dated August 7, 1997, in Case No PUC950019.

IT IS ORDERED THAT:

1) Pursuant to § 56-77 of the Code of Virginia, Applicants are hereby granted approval of the Agreement, under the terms and conditions as described herein.

2) The approval granted herein shall in no way be deemed to include approval of recovery of any charges or costs for ratemaking purposes.

3) The approval granted herein shall not preclude the Commission from exercising the provisions of §§ 56-78 and 56-79 of the Code of Virginia hereafter.

4) The Company shall include, in all general rate proceedings and Annual Informational Filings, evidence that the pricing policy stated herein has been followed.

5) The Applicant shall file an Annual Affiliated Transaction Report for all affiliate transactions with the Director of Public Utility Accounting no later than May 1 of each year, for the preceding calendar year, the first of such report due on or before May 1, 1998. Such report shall include the following affiliate information: 1) affiliate's name; 2) description of each affiliate transaction; 3) dates of each affiliate transaction; 4) total dollar amount of each affiliate transaction; 5) component costs of each affiliate transaction where services are provided to an affiliate (i.e., direct/indirect labor, fringe benefits, travel/housing, materials, supplies, indirect miscellaneous, equipment/ facilities, overhead/markup, etc.); 6) profit component of each transaction where services are provided to an affiliate; 7) comparable market value of each transaction where services are provided to an affiliate; 8) percent/dollar amount of each affiliate transaction charged to expense and/or capital accounts; 9) allocation bases/ factors for allocated costs; and 10) comparative market values/documentation where services are received from an affiliate. The report shall include all agreements with affiliates regardless of amount involved and shall supersede all other affiliate reporting requirements previously ordered.

6) Should any terms and conditions of the Agreement change from those described herein, Commission approval shall be required for such changes, pursuant to § 56-80 of the Code of Virginia.

7) There appearing nothing further to be done in this matter, the same be, and it hereby is, dismissed.

CASE NO. PUA970040
JUNE 18, 1998

JOINT APPLICATION OF
DELMARVA POWER AND LIGHT COMPANY, CONECTIV, INC.,
ATLANTIC CITY ELECTRIC COMPANY,
and
A SOON-TO-BE-FORMED MUTUAL SERVICE COMPANY

For approval of transactions under Chapter 4 of Title 56 of the Code of Virginia

ORDER GRANTING APPROVAL

On December 23, 1997, Delmarva Power & Light Company ("Delmarva," "Company"), Conectiv, Inc. ("Conectiv"), and Atlantic City Electric Company ("Atlantic Electric"), filed a supplemental application providing information about, and seeking approval of merger-related transactions, including the operation of the soon-to-be-formed mutual service company ("Conectiv Resource Partners")[1] (hereafter referred to as the "Applicants"). The Applicants request approval, pursuant to § 56-77 of the Code of Virginia, of proposed contracts or arrangements by which: (1) Conectiv Resource Partners will provide various services to Delmarva and to other Conectiv System companies after the merger; (2) Delmarva and Atlantic Electric may, on an interim or incidental basis, provide services to each other or other affiliates after the merger; (3) the System Money Pool will operate; (4) Delmarva may issue Securities authorized by Commission Order entered May 23, 1997, in Case No. PUF970008 to Conectiv; and (5) various subsidiaries of Delmarva will be made subsidiaries of Conectiv after the merger.

Delmarva is a corporation organized under the laws of the State of Delaware and the Commonwealth of Virginia. Delmarva is engaged in the generation, transmission, distribution, and sale of electric energy to approximately 19,000 retail customers and one wholesale customer in Virginia's two Eastern Shore counties. Delmarva's Virginia customers produce approximately 3% of its annual revenues. The remainder of Delmarva's 437,500 residential, commercial, and industrial customers are located in Delaware and ten Eastern Shore counties in Maryland. Delmarva also provides natural gas service to approximately 101,000 customers located in northern New Castle County, Delaware.

Conectiv is a corporation organized under the laws of the State of Delaware and was formed in mid-1996 in connection with the proposed Merger. After the Merger, Conectiv will own 100% of the outstanding common stock of Delmarva and Atlantic Electric. Conectiv will also be subject to regulation by the Securities and Exchange Commission under the Public Utility Holding Company Act of 1935 ("PUHCA").

Atlantic Electric is a corporation organized under the laws of the State of New Jersey. Atlantic Electric is engaged in the generation, transmission, distribution, and sale of electric energy to approximately 473,000 residential, commercial, and industrial customers in the State of New Jersey. Atlantic Electric's principal service territory is the southern one-third of New Jersey and covers all or portions of eight counties.

Conectiv Resource Partners is a corporation organized pursuant to the laws of the State of Delaware. Conectiv Resource Partners is intended to be a mutual service company, as defined under PUHCA, and is being formed to provide services to Delmarva and other Conectiv entities.

The Applicants are requesting approval for Conectiv Resource Partners to provide management, administrative, support, and other services to Delmarva and other Conectiv entities pursuant to one or more service agreements. The Applicants state that a major portion of the labor savings from the merger will be achieved through consolidation into Conectiv Resource Partners of numerous activities now performed independently by Delmarva, Atlantic Electric, and other entities.[2] Also, the Applicants state that the Securities and Exchange Commission will have oversight over how Conectiv Resource Partners' costs are assigned or allocated to Conectiv System companies.

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[1] Conectiv Resource Partners was formed on January 16, 1998.

[2] Such entities will be directly or indirectly owned by Conectiv after the Merger (the "Conectiv System").

Delmarva states it is requesting approval to transfer real and personal property or assign other rights to Conectiv Resource Partners, or to one or more other Conectiv System companies, for use by Conectiv Resource Partners to provide the services described in the service agreement. Delmarva also proposes that all post-Merger transfers or assignments to Conectiv Resource Partners or other Conectiv System companies for use by Conectiv Resource Partners be made at the then current net book value (if any) of such property and not to exceed an aggregate Delmarva system wide amount of $100 million. The Applicants state that none of the property expected to be transferred or assigned is located in the Commonwealth of Virginia. However, Applicants state there will likely be other proposed real and personal property transfers and assignments in connection with the establishment of the Conectiv System that will be subject in the future to the Affiliates Act.

In addition, Delmarva and Atlantic Electric are requesting approval to provide interim and incidental services between themselves and other Conectiv System companies during and after the period between the closing of the Merger and when Conectiv Resource Partners actually begins full operations.[3] The Applicants state that the phased start-up of Conectiv Resource Partners is due to the need to (1) establish new benefit plans and employment policies, procedures, and practices for Conectiv Resource Partners; (2) complete work on systems to be used by Conectiv Resource Partners; and (3) assign Delmarva, Atlantic Electric, and other affiliate employees to the new company.

Conectiv Resource Partners also is seeking approval to operate a system money pool in which Conectiv System companies will participate (the "System Money Pool"). Through the System Money Pool, temporary surplus funds of Conectiv and other Conectiv System companies would be available for short-term loans to Conectiv System companies (except Conectiv itself). Conectiv System companies would borrow from, and make loans to, the System Money Pool which would be administered at cost by Conectiv Resource Partners acting as agent. Interest expense or income would be charged or credited, as appropriate, to System Money Pool participants monthly based on the daily average investment or borrowing position of each participant.

Delmarva further requests approval to issue to Conectiv all or part of the aggregate $250 million of secured and unsecured debt securities ("Debt Securities"), preferred stock, and common stock (collectively, the "Securities"), as authorized by Commission Order entered May 23, 1997, in Case No. PUF970008.

Lastly, Delmarva is requesting approval, after consummation of the Merger[4], to transfer its various direct and indirect non-utility subsidiaries to Conectiv. This proposed change is expected to be accomplished through a dividend of direct subsidiary common stock by Delmarva to Conectiv.

The Applicants state that the service agreement is a primary means by which Conectiv Resource Partners will realize economies of scale for the Conectiv System. The savings associated with achievement of those economies of scale will reduce Delmarva's cost of service for Virginia jurisdictional customers. In addition, the Applicants state that Virginia customers will have the additional protection afforded by the Commission's ability to determine the Virginia ratemaking treatment of costs assigned or otherwise allocated to Delmarva by Conectiv Resource Partners and borne by Delmarva's Virginia jurisdictional customers.

The proposed service agreement will continue in force until terminated by either party upon no less than ninety (90) days' prior written notice to the other party. Also, the service agreement will be subject to termination or modification at any time, without notice, if and to the extent performance may conflict with PUHCA or with any rule, regulation or order of the SEC or any other regulatory body.

On April 17, 1998, Staff filed a report on Applicants' proposed affiliate transactions. Staff recommended, among other things, that Applicants' request for authority to transfer or assign up to $100 million of Delmarva systems real and personal property at net book value be denied unless Delmarva could demonstrate that such property has never been included in rate base in a Virginia jurisdictional cost of service study. Staff also recommended that the terms of the proposed Money Pool be modified unless Applicants could demonstrate that Delmarva's cost to participate is less than or equal Delmarva's stand alone cost.

Delmarva filed comments to the Staff's report on May 22, 1998. In its comments, Delmarva provided quantitative information to demonstrate the expected overall savings through participation in the Money Pool. Delmarva estimated the Money Pool would produce labor savings of approximately $120,000 annually that would offset any increase in commitment fees. Delmarva also stated that its allocable share of the $560,000 Money Pool commitment fee was expected to be $143,360 instead of the $230,000 assumed in the Staff's Report.

Delmarva also took exception to other recommendations made by Staff. Delmarva objected to any inclusion of language in a final order that would prohibit Delmarva from providing services to regulated and non-regulated Conectiv System companies without prior Commission approval. Delmarva also opposed Staff's proposed inclusion of language requiring that a separate application be filed with the Commission for the transfer of property included in rate base in a Virginia jurisdictional cost of service study to Conectiv Resource Partners.

Delmarva objected to certain language being included that would require Commission approval for "any" change in terms and conditions of the proposed service agreement between Delmarva and Conectiv Resource Partners and suggested that, if such language were included, the word "material" be inserted after the word "any." As an alternative, Delmarva proposed that a provision be added in the final order that would allow Delmarva to report "any" service agreement change in its annual Affiliates Report.

Finally, Delmarva opposed Staff's comments allowing in cost of service "only such costs that would have been incurred by Delmarva if it had not been reorganized as part of a holding company structure." Delmarva stated that it would be inconsistent to include a provision that would purport to limit the Commission's discretion in future Delmarva rate cases. According to Delmarva, the Staff and other parties would have ample opportunity in a rate case proceeding to review all costs thought to be unreasonable.

NOW THE COMMISSION, upon consideration of the application and representations of Applicant and having been advised by its Staff, is of the opinion and finds that the above described transactions do not appear to be detrimental to the public interest. We are, therefore, of the opinion that the application should be approved subject to the conditions detailed herein. Although we will approve the application, as modified, we note that Staff's report states that the Applicants appear to have violated the prior approval requirement of the Affiliates' Act with respect to Delmarva's use of Conectiv's credit

[3] Expected July 1, 1998.

[4] The Merger was consummated on March 1, 1998.

facility for back-up support to issue commercial paper. In view of such allegation, Delmarva should be aware that the authority granted herein does not extend to prior use of such credit facility and that the Commission Staff may decide to seek enforcement action with regard to this matter. Accordingly,

IT IS ORDERED THAT:

1) Pursuant to § 56-77 of the Code of Virginia, Delmarva Power & Light Company is hereby authorized to enter into a service agreement with a soon to be formed mutual service company (tentatively named "Conectiv Resource Partners"), subject to the terms and conditions described herein.

2) Commission approval shall be required for any changes in terms and conditions of the service agreement relative to service/goods being offered, pricing, and cost allocation methodology.

3) Delmarva Power & Light Company shall adhere to the provisions of § 56-77 of the Code of Virginia before executing any contracts, agreements or amendments in the future.

4) The approval granted herein shall have no ratemaking implications.

5) The approval granted herein shall not preclude the Commission from exercising the provisions of §§ 56-78 and 56-80 of the Code of Virginia hereafter.

6) The Commission, pursuant to § 56-79 of the Code of Virginia, reserves the right to examine the books and records of any affiliate in connection with the authority granted herein whether or not such affiliate is regulated by this Commission.

7) Where services are not tariffed, to ensure that the service agreement continues to be in the public interest, Delmarva Power & Light Company shall price services that it provides to non-regulated affiliates at the greater of market or cost, plus a reasonable return, and services it receives from a non-regulated affiliate shall be priced at the lower of market or cost, plus a reasonable return. Services provided to Delmarva Power & Light Company from a regulated affiliate and services received by a regulated affiliate from Delmarva Power & Light Company shall be priced at cost.

8) Delmarva Power & Light Company shall include in all general rate proceedings and Annual Informational Filings evidence that the pricing policy stated herein has been followed.

9) Delmarva Power & Light Company will not assert, in any future proceeding, that the Commission's ratemaking authority is preempted by federal law with respect to Virginia's retail ratemaking treatment of any charges from any affiliate to Delmarva Power & Light Company or from Delmarva Power & Light Company to any affiliate.

10) The transfer or assignment by Delmarva Power & Light Company, after the Merger, of real and personal property to Conectiv Resource Partners or other Conectiv System companies for use by Conectiv Resource Partners at the then-current net book value (if any) and not exceeding an aggregate Delmarva system-wide amount of $100 million is denied, without prejudice. If upon subsequent showing the Company can assure the Commission that such property has never been included in rate base in a Virginia jurisdictional cost of service study reconsideration will be given to this request. If such property has been included in rate base in a Virginia jurisdictional cost of service study, Commission approval of its transfer is required in accordance with § 56-77 of the Code of Virginia.

11) Delmarva Power & Light Company is hereby granted authority to issue and sell to Conectiv, Inc., the remaining unissued securities authorized by prior Commission Order entered May 23, 1997, in Case No. PUF970008.

12) The interest rate on any Debt Securities issued to Conectiv, Inc., under the authority in ordering paragraph 11) shall be (i) the lower of Conectiv's rate, including issuance costs, on long-term debt issued in the prior quarter or (ii) the yield published in Standard & Poor's Credit Week for "A"-rated long-term debt securities of similar maturites issued by U.S. Energy and Water utility companies at the time such Debt Securities are issued.

13) Any Securities issued to Conectiv, Inc., pursuant to the authority granted in ordering paragraph 11), shall be subject to the reporting requirements established in Case No. PUF970008.

14) Delmarva Power & Light Company is hereby granted authority to participate in the proposed Money Pool up to the same aggregate short-term debt limit of $275,000, 000 through the period ending December 31, 1999, as authorized in Case No. PUF960022.

15) Delmarva Power & Light Company's authority to borrow through the Money Pool shall be limited to borrowings that can be achieved with interest rates equal to or lower than Delmarva Power & Light Company's own commercial paper or bid note borrowing for the same maturity.

16) Delmarva Power & Light Company's participation in the Money Pool shall be subject to the same reporting requirements for short-term debt in Case No. PUF960022.

17) The transfer of Delmarva Power & Light Company's direct subsidiaries by means of a dividend of the common stock to Conectiv, Inc., after the Merger appears to be reasonable.

18) Delmarva Power & Light Company shall file an annual Report of Affiliate Transactions Undertaken with Other Regulated Affiliates with the Director of Public Utility Accounting of the Commission by no later than May 1 of each year, for the preceding calendar year, beginning May 1, 1999. Such report shall include the following information: 1) affiliate's name; 2) description of transactions; 3) total dollar value (cost) of transactions identified by department and/or functional category; 4) component cost of each category of transactions where services are provided to an regulated affiliate; 5) comparable market values of each category of transactions where services are provided to an regulated affiliate; 6) comparable market values where services are received from an regulated affiliate; 7) allocation bases/factors for allocated costs; and 8) explanation of any variances by department/functional group greater than 10% of the prior year's amount.

19) Delmarva Power & Light Company shall file an Annual Report of Affiliated Transactions Undertaken with Non-Regulated Affiliates, either on a direct basis or through Conectiv Resource Partners, with the Director of Public Utility Accounting by no later than May 1 of each year, for the preceding year, beginning May 1, 1999. Such report shall include the following information: 1) non-regulated affiliate's name; 2) description of transactions; 3) total dollar value (cost) of transactions identified by department and/or functional category; 4) component costs of each category of transactions where services are provided to an non-regulated affiliate; 5) profit component of each category of transactions where services are provided to an non-regulated affiliate; 6) comparable market values of each category of transactions where services are provided to an non-regulated affiliate; 7) comparable market values where services are received from an non-regulated affiliate; and 8) explanation of any variances by department/functional group greater than 10% of the prior year's amount.

20) Such reports shall include all agreements with affiliates regardless of the amount involved and shall supersede all other affiliate reporting requirements previously ordered.

21) The Director of Public Utility Accounting may grant an extension for filing such annual reports where deemed appropriate.

22) If Annual Informational and/or General Rate Case Filings are not based on a calendar year, then Delmarva Power & Light Company shall include the affiliate information contained in the Annual Report of Affiliate Transactions in such filings.

23) The Commission reserves the right to exclude any merger costs included in Delmarva Power & Light Company's jurisdictional cost of service study.

(24) There appearing nothing further to be done in this matter, the same be, and it hereby is, dismissed.

CASE NO. PUA970040
JUNE 29, 1998

JOINT APPLICATION OF
DELMARVA POWER & LIGHT COMPANY, CONECTIV, INC.,
ATLANTIC CITY ELECTRIC COMPANY,
and
SOON-TO-BE-FORMED MUTUAL SERVICE COMPANY

For approval of transactions under Chapter 4 of Title 56 of the Code of Virginia

ORDER GRANTING RECONSIDERATION, IN PART, AND MODIFYING ORDER

In its June 18, 1998 Order Granting Approval, the Commission approved, subject to certain conditions, the supplemental application heretofore filed by Delmarva Power & Light Company ("Delmarva") and other applicants (collectively, the "Applicants").

On June 26, 1998, counsel for the Applicants filed a petition requesting reconsideration (the "Petition") and modification of some of those conditions, as detailed in Attachment A to the Petition. The Applicants state that such modifications are necessary as "some of the conditions . . . could be interpretated in a way that would inhibit full realization of cost savings anticipated to be achieved by use of the service company." Petition at 2. The Applicants request, among other things, that the Order be clarified to reflect that "interim and incidental services referred to on page 4 of the Order are also approved." The Applicants also request that Ordering Paragraph (7) be modified to reflect Conectiv Resource Partners as a "regulated affiliate"[1], and that Ordering Paragraph (10) be modified to approve the lease of real and personal property by Delmarva to Conectiv Resource Partners for use only by that entity.

NOW THE COMMISSION, having considered the Applicants' petition, is of the opinion that the Applicants' concerns should be addressed, although in a way different than proposed in Attachment A. Consequently, we will grant reconsideration, in part, and modify our Order of June 18, 1998, as specified below. Accordingly,

IT IS ORDERED THAT:

(1) The Applicant's Petition for Reconsideration be, and hereby, is granted, in part.

(2) Ordering Paragraph (1) of our Order of June 18, 1998, shall be modified as follows:

> Pursuant to § 56-77 of the Code of Virginia, Delmarva Power & Light Company is hereby authorized to enter into a service agreement with the soon-to-be-formed mutual service company (tentatively named "Conectiv Resource Partners") and provide the interim and incidental services described in the Supplemental Application, subject to the terms and conditions described herein.

(3) Ordering Paragraph (7) of our Order dated June 18, 1998, shall be modified as follows:

> Where services are not tariffed, to ensure that the service agreement continues to be in the public interest, Delmarva Power & Light Company shall price services that it provides, directly or indirectly, to non-regulated affiliates at the greater of market or cost, plus a reasonable return, and services it receives from a non-

[1] Conectiv Resource Partners is subject to regulation by the Securities and Exchange Commission under the Public Utility Holding Company Act of 1935.

regulated affiliate shall be priced at the lower of market or cost, plus a reasonable return. Services provided to Delmarva Power & Light Company by Conectiv Resource Partners and any other regulated affiliate and services received by a regulated affiliate from Delmarva Power & Light Company shall be priced at cost.

(4) Ordering Paragraph (10) of our Order dated June 18, 1998, shall be modified as follows:

> Delmarva Power & Light Company may lease, after the Merger, real and personal property to Conectiv Resource Partners or a property management company affiliated with Conectiv, Inc., for use only by Conectiv Resource Partners. The pricing provisions of any such lease shall be based on not less than the net book value of the property being leased, and shall otherwise reflect Delmarva Power & Light Company's actual costs.

(5) Delmarva Power & Light Company shall file with the Commission's Director of Public Utility Accounting a copy of any lease agreement regarding real or personal property entered into between itself and Conectiv Resource Partners or itself and the property management company referenced herein; such agreement shall be filed within thirty (30) days of the date of execution and shall include documentation detailing the calculation of the lease fee.

(6) Delmarva Power & Light Company shall file with the Commission's Director of Public Utility Accounting a list of all real and personal property leased to Conectiv Resource Partners or to the property management company referenced herein; such filing shall be made within sixty (60) days after the effective date of the lease and shall include (a) the date each asset was required by Delmarva, (b) the original cost of each asset, and (c) the net book value of each asset.

(7) All other provisions of our June 18, 1998 Order shall remain in full force and effect.

(8) This matter shall be continued until further order of the Commission.

CASE NO. PUA970041
JANUARY 20, 1998

PETITION OF
KENTUCKY UTILITIES COMPANY, d/b/a OLD DOMINION POWER COMPANY,
KU ENERGY CORPORATION
and
LG&E ENERGY CORP.

For approval of the acquisition of control of Kentucky Utilities Company by LG&E Energy Corp.

CONSENT ORDER

On July 25, 1997, Kentucky Utilities Company ("KU") d/b/a Old Dominion Power Company ("ODP"),[1] its parent company KU Energy Corporation ("KU Energy"), and LG&E Energy Corp. ("LG&E Energy") (collectively, "the Petitioners") filed a petition ("the Petition") requesting approval, pursuant to § 56-88.1 of the Code of Virginia, of a proposed transaction that will result in the acquisition of control of KU by LG&E Energy ("the Merger").[2] The Petitioners also request approval of a Service Agreement governing all affiliate transactions between ODP and Louisville Gas & Electric Company ("LG&E") or LG&E Energy pursuant to Chapter 4 (§ 56-77 et seq.) of Title 56 of the Code of Virginia.[3]

In an order dated August 13, 1997, the Commission directed KU to provide notice of the Petition, directed interested persons to file comments and requests for hearing on or before September 10, 1997, and directed its Staff to file a report ("Staff Report") detailing its analysis on or before September 19, 1997.

Pursuant to that Order, two persons filed comments objecting to the proposed merger.[4] There were no requests for hearing.

The date for filing of the Staff Report was extended by Commission orders dated September 17, 1997, and December 16, 1997. In accordance with the Commission's December 16, 1997 Order, Staff filed its Report on December 31, 1997. In that Report Staff recommends that the Commission approve the Merger subject to the following conditions:

1. that ODP shall reduce its Virginia jurisdictional retail revenues over the first five years after the merger is consummated by at least $4,122,185;

2. that such reduction shall be apportioned and rates designed consistent with the recommendations of the Division of Energy Regulation as detailed in the Staff Report;

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[1] KU conducts business in Virginia under the name Old Dominion Power Company.

[2] Pursuant to an Agreement and Plan of Merger ("Agreement") dated May 20, 1997, and filed with the Petition as Exhibit D, KU Energy will merge with LG&E Energy with the result that LG&E Energy will emerge as the surviving corporation and owner of all the common stock of KU.

[3] Pursuant to a Commission Order dated October 17, 1997, the Service Agreement will be considered in Case No. PUA970048.

[4] Neither complaint addressed issues pertinent to the Commission's decision in this case.

3. that the Merger Surcredit Rider should become effective with the first full billing month that begins 30 days after the consummation of the merger;

4. that, in the event that KU should agree to return to ratepayers a greater percentage of estimated merger savings in other jurisdictions, KU agrees to provide the same percentage of savings to its Virginia jurisdictional customers but, in no event, shall such savings be less than the $4,122,185 for the first five years;

5. that, in such event, KU shall submit to the Commission a copy of any subsequent revision to the settlement agreement together with a comparison showing how the rate reduction is calculated;

6. that KU's obligation to provide adequate, efficient, and reasonable utility service shall not be impaired by LG&E Energy;

7. that KU is prohibited from guaranteeing the debt of LG&E Energy and its affiliates without the prior approval of this Commission;

8. that, should actual merger related savings exceed the estimates, such additional savings may be at issue in any future AIF or other filings or proceedings addressing rates, commencing with test year 1998;

9. that all merger related savings shall be recorded above the line for purposes of KU/ODP's AIF filings, other filings, or other proceedings addressing rates;

10. that KU/ODP shall file within five days of the consummation of the merger a written notice setting forth the date of the merger and the effective date of the merger surcredit tariffs;

11. that, for purposes of KU/ODP's AIFs or other filings or proceedings addressing rates, the nonrecurring out-of-pocket costs to achieve the merger shall be amortized over five years, commencing as of the date of the merger closing. KU/ODP shall file a detailed report with the Commission describing all of its then known, actual, nonrecurring, out-of-pocket merger related costs within 180 days after the date of the closing;[5]

12. that, commencing with test year 1998, the amortized balance of deferred costs to achieve the merger shall be subject to write-off or write-down in the event of over-earnings per an annual earnings test to be filed with each AIF;

13. that, for purposes of such earnings test, a range of 12.0% through 13.0% shall be established until ODP's next rate case;

14. that, without prior Commission approval, KU/ODP agrees not to include in Virginia retail rates any costs attributable to LG&E's regulatory assets or potential strandable costs;

15. that KU/ODP shall not include any merger related costs in excess of merger related savings[6] in Virginia retail rates in any test year;

16. that, to comply with item 15, KU/ODP shall: (a) quantify, in accordance with GAAP, the direct, indirect, and internal merger related costs attributable to the test period used to establish Virginia retail rates; and (b) demonstrate that the merger related savings[7] for the same period exceeds such merger related costs;

17. that the accounting by KU and LG&E for the amortization of the costs incurred to achieve their merger savings and the savings to be returned to ratepayers through the credit mechanism shall be in accordance with the accounting/reporting requirements of the FERC USoA and SFAS No. 71;

18. that KU and LG&E shall maintain adequate supporting documentation of all merger costs regardless of the origin of those costs;

19. that, as the annual levels of non-fuel, merger related savings are projected to increase significantly in the sixth year of the merger, ODP shall file a general rate case with the Commission no later than nine months prior to the end of the fifth year of the merger to address the future sharing of merger savings with ratepayers; and

20. that, without prior approval, KU/ODP agrees not to terminate the surcredit rider tariff at the end of its expiration date (fifth year).

On January 13, 1998, the Petitioners filed a response to recommendations made in the Staff Report ("Response"). The Petitioners agree with the recommendations made in that Report with the exception of Staff's recommendation regarding the period of review for the earnings test.[8] The Petitioners specifically request the Commission to consider modifying a portion of that recommendation to provide that, in the event KU/ODP experiences over-earning in one or more of the first four years following the merger, write-offs or write-downs of unamortized merger costs should be determined after offsetting any earnings deficiencies in prior years. The Staff has advised that it does not concur in the requested modification.

The Commission, having considered the matter, is of the opinion that adequate service and just and reasonable rates will not be impaired or jeopardized by LG&E Energy acquiring control of KU/ODP pursuant to the terms and conditions set forth in the Agreement subject to the conditions

[5] "Closing" refers to the date of the consummation of the Merger.

[6] KU may use reasonable estimates in determining annual merger savings.

[7] See footnote No. 5.

[8] See Staff recommendation No. 12 referenced herein.

referenced above. We note the exception detailed in the Petitioners' Response. We will not, however, consider such modification in this proceeding. The Petitioners and Staff may raise any such argument on this point at such time, if ever, that over-earnings are realized. Accordingly,

IT IS ORDERED THAT:

(1) The application of KU/ODP, KU Energy, and LG&E Energy which will result in the acquisition of control of KU/ODP by LG&E Energy be, and hereby is, approved subject to the terms and conditions as set forth in the Agreement and the conditions detailed herein.

(2) Within 60 days after the Closing, ODP shall file appropriate tariffs with the Division of Energy Regulation that reflect the rate design described herein.

(3) There being nothing further to be done in this matter, it be, and hereby is, dismissed from the Commission's docket of active cases.

CASE NO. PUA970043
MAY 8, 1998

APPLICATION OF
GTE SOUTH INCORPORATED

For a limited exemption under Chapter 4, Title 56, of the Code of Virginia of 1950, as amended

ORDER GRANTING LIMITED EXEMPTION

On August 8, 1997, GTE South Incorporated ("GTE South," "the Company," "the Petitioner") filed a petition ("the Petition") requesting the Commission to grant it a limited exemption from the filing and prior approval requirements of § 56-77A of the Code of Virginia. The Company specifically requests that the exemption be granted for each contract or arrangement that affects GTE South's Virginia jurisdictional business but under which GTE South (a) pays $250,000 or less per year for services in Virginia pursuant to the agreement, or (b) receives $250,000 or less per year for services rendered in Virginia to an affiliate pursuant to the agreement. The Company represents that, at the time the Petition was filed, this exemption would apply to thirteen agreements and associated amendments on file with the Commission in twelve separate dockets and that such exemption would have an insignificant impact on the Company. The Company notes that $250,000 equals less than one-tenth of one percent of both GTE South's revenues and expenses.

An Order for Notice and Comment was issued August 27, 1997. No comments were filed by any interested parties. In the Staff Report filed on November 7, 1997, Staff recommended that, in view of the fact that the Company represented that it has instituted procedures to ensure future compliance with the Affiliates Act, it should be granted a limited exemption subject to the pricing policy requirement outlined in Case No. PUC950019. In order to ensure compliance with that policy, the Company should be required to file copies of all of its contracts, regardless of amount, within forty-five (45) days of execution of such contracts The Company should also be required to monitor exempt agreements covered by the exemption to be certain that such billings do not exceed $250,000 per year.

The Staff recommended that this threshold be on a GTE South basis and not on a Virginia jurisdictional basis and that approval for agreements should be obtained prior to billings to or from the Company exceeding $250,000. Staff noted that information on affiliate agreements not approved in advance should be filed with rate cases and Annual Informational Filings consistent with the description detailed herein. Those agreements would also be subject to the annual reporting requirements currently in effect for GTE South. The Company would still bear the burden of proving that all costs incurred with affiliates are just and reasonable for Annual Informational Filing and rate case purposes.

On November 21, 1997, GTE South filed its Comments ("the Comments") to the Staff Report. In the Comments, GTE South clarified that its original request for a limited exemption was based on a ceiling of $250,000 for Virginia jurisdictional activity rather than on the total contractual ceiling of $250,000, as interpreted and recommended by Staff.

NOW THE COMMISSION, having considered the Petition and representations of the Petitioner and Petitioner's comments as well as the Staff Report, and having been advised by its Staff, is of the opinion and finds that GTE South's request for a limited exemption under § 56-77B of the Code of Virginia should be approved, subject to conditions detailed herein. We will grant the exemption for all contracts having a total gross amount on a corporate basis of up to $3 million and having an impact on a Virginia jurisdictional basis of $250,000 or less.

Contracts that have a Virginia jurisdictional impact greater than $250,000 will require prior approval under Chapter 4 regardless of the total contract or GTE South amount. Agreements above the threshold amount must not be separated to avoid the pre-approval requirement detailed herein. Granting this limited exemption does not preclude the Company from making future application for exemptions for individual agreements that clearly have no impact on Virginia. The Commission recognizes that, in determining the Virginia jurisdictional impact, the allocation methods used in determining such impact will vary. Such allocation methods may be subject to disagreement in the future. Accordingly,

IT IS ORDERED THAT:

1) Pursuant to Virginia Code § 56-77B, GTE South Incorporated is hereby granted a limited exemption from obtaining prior approval for contracts or arrangements which have total gross annual billings of up to $3 million on a GTE South basis and have an impact on a Virginia jurisdictional basis of $250,000 or less.

2) Contracts or arrangements which have a Virginia jurisdictional impact of more than $250,000 during a calendar year will require prior approval regardless of the total contract or GTE South amount.

3) All contracts and arrangements, including those for which prior approval are not required pursuant to this Order, shall be included in the Company's Annual Report of Affiliate Transactions.

4) The exemption granted herein shall have no ratemaking implications.

5) The exemption granted herein shall not preclude the Commission from exercising the provisions of §§ 56-78 and 56-80 of the Code of Virginia hereafter.

6) The Commission reserves the authority to examine the books and records of any of the GTE South affiliates in connection with agreements with GTE South whether or not such affiliates are subject to Commission jurisdiction and whether or not such agreements have been reviewed and approved by the Commission.

7) The Company shall use care in determining whether its agreements with its affiliates are likely to exceed $250,000 in a calendar year on a Virginia jurisdictional basis and to be as certain as possible that any agreements that exceed $250,000 during a calendar year are filed with and approved by the Commission in advance.

8) With such exemption, the Company shall follow the pricing policy as outlined in Case No. PUC950019 and shall file copies of all contracts or arrangements entered into with the Director of Public Utility Accounting of the Commission within forty-five days of execution. All contracts shall be filed regardless of the amount.

9) The Company shall file an Annual Report of Affiliate Transactions with the Director of Public Utility Accounting no later than May 1 of each year, subject to extension by the Director of Public Utility Accounting of the Commission, for the preceding calendar year, the first of such report due on or before May 1, 1999. Such report shall include the following affiliate information: 1) affiliate's name; 2) description of each affiliate arrangement/agreement; 3) dates of each affiliate arrangement/ agreement; 4) total dollar amount of each affiliate arrangement/agreement; 5) component costs of each affiliate arrangement/agreement where services are provided to an affiliate (i.e., direct/indirect labor, fringe benefits, travel/housing, materials, supplies, indirect miscellaneous, equipment/ facilities, overhead/markup); 6) profit component of each arrangement/agreement where services are provided to an affiliate; 7) comparable market value of each arrangement/agreement where services are provided to an affiliate; 8) percent/dollar amount of each affiliate arrangement/agreement charged to expense and/or capital accounts; 9) allocation bases/ factors for allocated costs; and 10) comparative market values/documentation where services are received from an affiliate. The report shall include all agreements/arrangements with affiliates regardless of amount involved and shall supersede all other affiliate reporting requirements previously ordered.

10) There appearing nothing further to be done in this matter, the same be, and it hereby is, dismissed.

CASE NO. PUA970048
APRIL 30, 1998

JOINT APPLICATION OF
KENTUCKY UTILITIES COMPANY d/b/a OLD DOMINION POWER COMPANY,
LOUISVILLE GAS AND ELECTRIC COMPANY,
and
LG&E ENERGY CORP.

For approval to enter into a service agreement

ORDER GRANTING APPROVAL

Kentucky Utilities Company ("KU"), d/b/a Old Dominion Power Company ("ODP"), Louisville Gas and Electric Company ("LG&E"), and LG&E Energy Corp. ("LG&E Energy") (collectively, referred to as the "Applicants"), seek authorization to enter into a service agreement (the "New Services Agreement") to govern affiliate transactions following consummation of the merger of KU Energy Corporation ("KU Energy") and LG&E Energy.

KU is a corporation organized and existing under Virginia and Kentucky law and a wholly-owned subsidiary of KU Energy. In Virginia, KU conducts business under the name ODP and provides retail electric service to approximately 29,000 customers in five southwestern counties. ODP has no wholesale customers in Virginia. In 1997, ODP's revenues were approximately $40 million, or 5.6% of KU's total utility revenue. In Kentucky, KU provides retail electric service to approximately 441,000 customers, and wholesale electric service to several municipalities. In 1997, KU's retail revenues were approximately $583 million.

LG&E is a corporation organized pursuant to the laws of the Commonwealth of Kentucky. LG&E is a combination gas and electric utility providing retail electric service to approximately 356,000 customers and retail gas service to approximately 284,000 customers in 17 counties in Kentucky.

LG&E Energy is a corporation organized pursuant to the laws of the Commonwealth of Kentucky. LG&E Energy, an exempt public utility holding company under PUHCA, owns all the of the common stock of LG&E.

The Applicants state in the application that this Commission approved a Service Agreement (the "Agreement") between KU/ODP and KU Energy in an Order entered on May 31, 1991, in Case No. PUA910006. The Agreement allows the parties to provide services and goods to one another and directs them to follow established accounting procedures in order to allocate costs properly. Once the merger is consummated, the Agreement will terminate.

Accordingly, the Applicants seek authority following the merger to enter into a New Services Agreement following the merger that is structurally similar to the Agreement. The proposed New Services Agreement provides for the furnishment of management, supervisory, construction, engineering, accounting, legal, or similar services, or the purchase, sale, lease, or exchange of any property or right in transactions among the Applicants. The Applicants further state that the purpose of the New Services Agreement is to allow the personnel of each company to perform services for each other in an efficient and cost-effective manner and to allocate costs and taxes incurred by the parties in receiving or providing services and/or goods as necessary.

The proposed New Services Agreement also provides that distinct and separate accounting and financial records will be maintained and fully documented for each entity. All costs that can be identified specifically and associated with an activity will be assigned directly to that activity. Indirect costs that provide a benefit to more than one activity will be allocated among the activities that benefit. Sections 4.1 and 4.4 of the proposed New Services Agreement state that the transfer or sale of assets, goods or services from KU/ODP or LG&E to LG&E Energy will be priced at the greater of cost or fair market value and at the lower of cost or fair market value for transfers or sales made to KU/ODP or LG&E from LG&E Energy. Transfers or sales of assets, goods or services between KU/ODP and LG&E will be priced at cost.

As stated in the application and Section 4.6 of the proposed New Services Agreement, billings for intercompany transactions will be issued on a timely basis with documentation sufficient to provide for subsequent audit or regulatory review. In addition the proposed New Services Agreement does not provide for services to be furnished or property conveyed to be exclusively among KU/ODP, LG&E, or LG&E Energy. Any party may obtain such services from other sources.

The proposed New Services Agreement will continue in full force and effect until terminated by any party with 90 days prior written notice.

NOW THE COMMISSION, upon consideration of the application and representations of Applicant and having been advised by its Staff, is of the opinion and finds that the above described New Services Agreement is in the public interest and should be approved subject to the conditions detailed herein. Accordingly,

IT IS ORDERED THAT:

1) Pursuant to § 56-77 of the Code of Virginia, Kentucky Utilities Company, d/b/a Old Dominion Power Company, is hereby authorized to enter into the New Services Agreement with Louisville Gas and Electric Company and LG&E Energy subject to the terms and conditions described herein.

2) No services performed under the New Services Agreement by Kentucky Utilities Company, d/b/a Old Dominion Power Company, for LG&E Energy Corp. shall be performed on behalf of , or for the benefit of, any affiliate or subsidiary (other than Louisville Gas and Electric Company) of LG&E Energy Corp. now existing or hereafter established unless approved in advance by this Commission.

3) Should any terms and conditions of the New Service Agreement change from those contained in this application, Commission approval shall be required for such changes.

4) Kentucky Utilities Company, d/b/a Old Dominion Power Company, shall adhere to the provisions of § 56-77 of the Code of Virginia before executing any contracts, agreements or amendments in the future.

5) The approval granted herein shall have no ratemaking implications.

6) The approval granted herein shall not preclude the Commission from exercising the provisions of §§ 56-78 and 56-80 of the Code of Virginia hereafter.

7) The Commission, pursuant to § 56-79 of the Code of Virginia, reserves the right to examine the books and records of any affiliate in connection with the authority granted herein whether or not such affiliate is regulated by this Commission.

8) Kentucky Utilities Company, d/b/a Old Dominion Power Company, shall include in all general rate proceedings and Annual Informational Filings evidence that the pricing policy stated herein has been followed.

9) Kentucky Utilities Company, d/b/a Old Dominion Power Company, will not assert, in any future proceeding, that the Commission's ratemaking authority is preempted by federal law with respect to Virginia's retail ratemaking treatment of any charges from any affiliate to Kentucky Utilities Company, d/b/a Old Dominion Power Company, or from Kentucky Utilities Company, d/b/a Old Dominion Power Company, to any affiliate.

(10) Kentucky Utilities Company, d/b/a Old Dominion Power Company, shall file an Annual Report of Affiliate Transactions with the Director of Public Utility Accounting of the Commission by no later than May 1 of each year, for the preceding calendar year, beginning May 1, 1999. Such report should include the following information: 1) affiliate's name; 2) description of each affiliate arrangement/agreement; 3) dates of each affiliate arrangement/agreement; 4) total dollar amount of each affiliate arrangement/agreement; 5) component costs of each arrangement/agreement where services are provided to an affiliate (i.e., direct/indirect labor, fringe benefits, travel/housing, materials, supplies, indirect miscellaneous expenses, equipment/facilities charges, and overheads); 6) profit component of each arrangement/agreement where services are provided to an affiliate and how such component is determined; 7) comparable market values and documentation related to each arrangement/agreement; 8) percent/dollar amount of each affiliate arrangement/agreement charged to expense and/or capital accounts; 9) allocation bases/factors for allocated costs; 10) list and description of each utility asset transfer over $250,000; and 11) list by functional group of utility assets transfers valued less than $250,000.

(11) Such report shall include all agreements with affiliates regardless of the amount involved and should supersede all other affiliate reporting requirements previously ordered.

(12) The Director of Public Utility Accounting may grant an extension for filing such annual report where deemed appropriate.

(13) If Annual Informational and/or General Rate Case Filings are not based on a calendar year, then Kentucky Utilities Company, d/b/a Old Dominion Power Company, should include the affiliate information contained in the Annual Report of Affiliate Transactions for the specific test year.

(14) For cost of service purposes, only such costs will be allowed that would have been incurred by Kentucky Utilities Company, d/b/a Old Dominion Power Company, if it had not been reorganized as part of a holding company.

(15) The Commission reserves the right to exclude any merger costs included in Kentucky Utilities Company's d/b/a Old Dominion Power Company jurisdictional cost of service study.

(16) There appearing nothing further to be done in this matter, the same be, and it hereby is, dismissed.

CASE NO. PUA970048
MAY 20, 1998

JOINT APPLICATION OF
KENTUCKY UTILITIES COMPANY d/b/a OLD DOMINION POWER COMPANY,
LOUISVILLE GAS AND ELECTRIC COMPANY,
and
LG&E ENERGY CORP.

For approval to enter into a service agreement

ORDER GRANTING PETITION FOR RECONSIDERATION

On May 14, 1998, Kentucky Utilities Company, d/b/a Old Dominion Power Company ("KU"), Louisville Gas and Electric Company ("Louisville"), and LG&E Energy Corp. ("LG&E") (collectively, "Applicant") filed a Petition for Reconsideration of the Commission's Order issued in this proceeding on April 30, 1998. The Applicant states that it is providing proposed language, which it requests replace certain language in the April 30, 1998 Order, to clarify permissible relationships among the parties, which has been agreed to by the Commission Staff.

NOW THE COMMISSION, upon consideration of the Petition for Reconsideration and having been advised by its Staff, is of the opinion and finds that the attached order should be substituted for the April 30, 1998 Order.

IT IS ORDERED THAT the attached Order be substituted for April 30, 1998 Order issued in this proceeding.

CASE NO. PUA970048
MAY 20, 1998

JOINT APPLICATION OF
KENTUCKY UTILITIES COMPANY d/b/a OLD DOMINION POWER COMPANY,
LOUISVILLE GAS AND ELECTRIC COMPANY,
and
LG&E ENERGY CORP.

For approval to enter into a service agreement

ORDER GRANTING APPROVAL

Kentucky Utilities Company ("KU"), d/b/a Old Dominion Power Company ("ODP"), Louisville Gas and Electric Company ("LG&E"), and LG&E Energy Corp. ("LG&E Energy") (collectively, referred to as the "Applicants"), seek authorization to enter into a service agreement (the "New Services Agreement") to govern affiliate transactions following consummation of the merger of KU Energy Corporation ("KU Energy") and LG&E Energy.

KU is a corporation organized and existing under Virginia and Kentucky law and a wholly-owned subsidiary of KU Energy. In Virginia, KU conducts business under the name ODP and provides retail electric service to approximately 29,000 customers in five southwestern counties. ODP has no wholesale customers in Virginia. In 1997, ODP's revenues were approximately $40 million, or 5.6% of KU's total utility revenue. In Kentucky, KU provides retail electric service to approximately 441,000 customers, and wholesale electric service to several municipalities. In 1997, KU's retail revenues were approximately $583 million.

LG&E is a corporation organized pursuant to the laws of the Commonwealth of Kentucky. LG&E is a combination gas and electric utility providing retail electric service to approximately 356,000 customers and retail gas service to approximately 284,000 customers in 17 counties in Kentucky.

LG&E Energy is a corporation organized pursuant to the laws of the Commonwealth of Kentucky. LG&E Energy, an exempt public utility holding company under PUHCA, owns all the of the common stock of LG&E.

The Applicants state in the application that this Commission approved a Service Agreement (the "Agreement") between KU/ODP and KU Energy in an Order entered on May 31, 1991, in Case No. PUA910006. The Agreement allows the parties to provide services and goods to one another and directs them to follow established accounting procedures in order to allocate costs properly. Once the merger is consummated, the Agreement will terminate.

Accordingly, the Applicants seek authority following the merger to enter into a New Services Agreement following the merger that is structurally similar to the Agreement. The proposed New Services Agreement provides for the furnishment of management, supervisory, construction, engineering, accounting, legal, or similar services, or the purchase, sale, lease, or exchange of any property or right in transactions between the Applicants. The Applicants further state that the purpose of the New Services Agreement is to allow the personnel of each company to perform services for each other in an efficient and cost-effective manner and to allocate costs and taxes incurred by the parties in receiving or providing services and/or goods as necessary.

The proposed New Services Agreement also provides that distinct and separate accounting and financial records will be maintained and fully documented for each entity. All costs that can be identified specifically and associated with an activity will be assigned directly to that activity. Indirect costs that provide a benefit to more than one activity will be allocated among the activities that benefit. Sections 4.1 and 4.4 of the proposed New Services Agreement state that the transfer or sale of assets, goods or services from KU/ODP or LG&E to LG&E Energy will be priced at the greater of cost or fair market value and at the lower of cost or fair market value for transfers or sales made to KU/ODP or LG&E from LG&E Energy. Transfers or sales of assets, goods or services between KU/ODP and LG&E will be priced at cost.

As stated in the application and Section 4.6 of the proposed New Services Agreement, billings for intercompany transactions will be issued on a timely basis with documentation sufficient to provide for subsequent audit or regulatory review. In addition the proposed New Services Agreement does not provide for services to be furnished or property conveyed to be exclusively by KU/ODP, LG&E, or LG&E Energy. Any party may obtain such services from other sources.

The proposed New Services Agreement will continue in full force and effect until terminated by any party with 90 days prior written notice.

NOW THE COMMISSION, upon consideration of the application and representations of Applicant and having been advised by its Staff, is of the opinion and finds that the above described New Services Agreement is in the public interest and should be approved subject to the conditions detailed herein. Accordingly,

IT IS ORDERED THAT:

1) Pursuant to § 56-77 of the Code of Virginia, Kentucky Utilities Company, d/b/a Old Dominion Power Company, is hereby authorized to enter into the New Services Agreement with Louisville Gas and Electric Company and LG&E Energy subject to the terms and conditions described herein.

2) Should any terms and conditions of the New Services Agreement change from those contained in this application, Commission approval shall be required for such changes.

3) Relative to non-regulated affiliates, the approvals granted herein shall apply only to services requested by LG&E Energy Corp (for non-regulated affiliates) and provided by Kentucky Utilities Company, d/b/a Old Dominion Power Company.

4) Kentucky Utilities Company, d/b/a Old Dominion Power Company, shall adhere to the provisions of § 56-77 of the Code of Virginia before executing any contracts, agreements or amendments in the future.

5) The approvals granted herein shall have no ratemaking implications.

6) The approvals granted herein shall not preclude the Commission from exercising the provisions of §§ 56-78 and 56-80 of the Code of Virginia hereafter.

7) The Commission, pursuant to § 56-79 of the Code of Virginia, reserves the right to examine the books and records of any affiliate in connection with the authority granted herein whether or not such affiliate is regulated by this Commission.

8) Kentucky Utilities Company, d/b/a Old Dominion Power Company, shall include in all general rate proceedings and Annual Informational Filings evidence that the pricing policy stated herein has been followed.

9) Kentucky Utilities Company, d/b/a Old Dominion Power Company, will not assert, in any future proceeding, that the Commission's ratemaking authority is preempted by federal law with respect to Virginia's retail ratemaking treatment of any charges from any affiliate to Kentucky Utilities Company, d/b/a Old Dominion Power Company, or from Kentucky Utilities Company, d/b/a Old Dominion Power Company, to any affiliate.

(10) Kentucky Utilities Company, d/b/a Old Dominion Power Company, shall file an Annual Report of Affiliate Transactions undertaken with Louisville Gas and Electric Company and LG&E Energy Corp. with the Director of Public Utility Accounting of the Commission by no later than May 1 of each year, for the preceding calendar year, beginning May 1, 1999. Such report should include the following information: 1) affiliate's name; 2) description of each affiliate arrangement/agreement; 3) dates of each affiliate arrangement/agreement; 4) total dollar amount of each affiliate arrangement/agreement; 5) component costs of each arrangement/agreement where services are provided to an affiliate (i.e., direct/indirect labor, fringe benefits, travel/housing, materials, supplies, indirect miscellaneous expenses, equipment/facilities charges, and overheads); 6) profit component of each arrangement/agreement where services are provided to an affiliate and how such component is determined; 7) comparable market values and documentation related to each arrangement/agreement; 8) percent/dollar amount of each affiliate arrangement/agreement charged to expense and/or capital accounts; 9) allocation bases/factors for allocated costs; 10) list and description of each utility asset transfer over $250,000; and 11) list by functional group of utility assets transfers valued less than $250,000.

(11) Kentucky Utilities Company, d/b/a Old Dominion Power Company, shall file an Annual Report of Affiliate Transactions indirectly undertaken for the benefit of non-regulated affiliates (other than LG&E Energy) with the Director of Public Utility Accounting of the Commission by no later than May 1 of each year, for the preceding calendar year, beginning May 1, 1999. Such report should include the following information: 1) non-regulated affiliate's name; 2) description of each type of service provided 3) dates that each type of service was provided 4) total dollar value (cost) for each type of service provided 5) component costs of each type of service provided (i.e., direct/indirect labor, fringe benefits, travel/housing, materials, supplies, indirect miscellaneous expenses, equipment/facilities charges, and overheads); 6) profit component of each type of service and how profit component is determined; and 7) comparable market values and supporting documentation for each type of service provided.

(12) Such reports shall include all arrangements/agreements with all affiliates (regulated and non-regulated) regardless of the amount involved and should supersede all other affiliate reporting requirements previously ordered.

(13) The Director of Public Utility Accounting may grant an extension for filing such annual report where deemed appropriate.

(14) If Annual Informational and/or General Rate Case Filings are not based on a calendar year, then Kentucky Utilities Company, d/b/a Old Dominion Power Company, should include the affiliate information contained in the Annual Reports of Affiliate Transactions for the specific test year.

(15) For cost of service purposes, only such costs will be allowed that would have been incurred by Kentucky Utilities Company, d/b/a Old Dominion Power Company, if it had not been reorganized as part of a holding company.

(16) The Commission reserves the right to exclude any merger costs included in Kentucky Utilities Company's d/b/a Old Dominion Power Company jurisdictional cost of service study.

(17) There appearing nothing further to be done in this matter, the same be, and it hereby is, dismissed.

CASE NO. PUA970050
FEBRUARY 20, 1998

APPLICATION OF
VIRGINIA NATURAL GAS, INC.

For approval to contract for certain general business services with Consolidated Natural Gas Company, an affiliate

ORDER GRANTING APPROVAL

Virginia Natural Gas, Inc. ("VNG," the "Company," the "Applicant") filed an application with the Commission under the Public Utilities Affiliates Act requesting approval of a modification of authority granted previously for certain general business services with Consolidated Natural Gas Service Company, Inc. ("Service Company," "Affiliate"), an affiliate. As stated in the application, VNG and Service Company are both wholly-owned subsidiaries of Consolidated Natural Gas Company ("CNG") in Pittsburgh, Pennsylvania.

CNG is a public utility holding company registered under the federal Public Utility Holding Company Act of 1935 ("PUHCA"). Service Company is a Delaware corporation authorized by the Securities and Exchange Commission (the "SEC") under PUHCA and was organized solely for the purpose of providing corporate services to CNG and the operating companies making up the CNG holding company system. As stated in the application, Service Company advises and assists the CNG subsidiary companies on administrative and technical matters and manages centralized activities and facilities for their benefit.

By Commission Order Granting Authority dated October 31, 1989, in Case No. PUA890037, VNG and Service Company were authorized to enter into a General Services Agreement. On two previous occasions, the General Services Agreement has been modified. VNG proposes in this application to modify further the General Services Agreement. The proposed modifications relate to the list of services that are offered by Service Company to its affiliates, including VNG. As stated in the application, the services that are to be provided by Service Company are being supplemented by the addition of function departments known collectively as (1) the Regulated Business Support Group ("RBSG"), as those activities relate to CNG's regulated businesses, including VNG, and (2) the System Services Group ("SSG"), as those activities relate to the CNG companies generally.

As indicated in the application, over the last twenty-four months, CNG has implemented plans for a major reorganization in which a number of function responsibilities are being consolidated and centralized, sometimes across the CNG system, and sometimes affecting only CNG's regulated companies. The Company represents that the main principle of the consolidation effort is to reduce costs significantly while maintaining and improving the quality of CNG's performance of those services.

The following changes in the General Services Agreement are proposed:

1) RBSG has assumed responsibility for all gas procurement activities on behalf of the entire CNG Distribution Group. VNG employees formerly involved in this activity have been removed from VNG's payroll and are now, with few exceptions, employees of Service Company, performing gas procurement activities in a centralized location in Pittsburgh, Pennsylvania. The Company represents that, by centralizing this function, CNG will achieve economies of scale in the purchase of natural gas and efficiencies of operation in conducting that activity which will benefit VNG's customers.

2) RBSG has assumed responsibility for certain marketing and advertising functions that will now be performed on a centralized basis for the benefit of all CNG regulated companies. These functions include the natural gas vehicle and technical marketing services previously provided by Peoples Natural Gas Company pursuant to the Commission's Order in Case No. PUA950068 as well as certain advertising services provided by The East Ohio Gas Company pursuant to the Commission's Order in Case No. PUA960028.

3) Certain staff engineering services historically performed at VNG for such things as natural gas transmission pipelines and related facilities and mapping and land records will no longer be performed locally, but will be made available to all CNG companies by a centralized RBSG department.

4) Certain Information Technology functions have been centralized in appropriate SSG departments that will now provide such services on a uniform basis to all CNG companies, eliminating duplication of hardware and software, and supporting the continuing development of common financial and accounting systems for use throughout the CNG organization.

5) Certain purchasing and business processing services are being performed on a consolidated basis by employees of Service Company on behalf of all CNG affiliates, including payroll, accounts payable processing, customer payment processing, and cash management, thereby eliminating duplicate systems and personnel and achieving economies of scale in the procurement of common materials and the processing of voluminous transactions.

6) As a result of the consolidation and centralization efforts of the CNG system companies, thirty-one positions have been affected, including fifteen employees transferred to the payroll of Service Company, six employees have accepted other positions at VNG, eight have chosen voluntary

termination or retirement, and two have been terminated involuntarily. The only additional changes anticipated will occur with full implementation of Common Financial Systems in 1998.

VNG states in its application that because of the nature and scope of the changes in the services to be performed by Service Company and the restructuring of CNG necessary to accomplish these changes, the organization of personnel, departments, systems, and functional responsibilities has occurred on various time schedules since the announcement of CNG's consolidating and centralization initiative in 1995. Some functional changes have already occurred. Others will not occur until later this year.

CNG notified the SEC of the proposed changes by letter dated May 29, 1997, following earlier informal communications with the SEC concerning CNG's consolidation and centralization initiatives. VNG formally notified this Commission of the proposed changes by letter dated August 28, 1997, following earlier informal communications with Staff and in the context of proceedings in Case No. PUA960028.

Costs of services provided by Service Company will be allocated in the following manner:

1) Costs of rendering service by Service Company will include all costs of doing business including interest on debt but excluding a return for the use of equity capital for which no charge will be made to System companies.

2) Service Company will maintain a separate record of the expenses of each department. Expenses will include salaries and wages of employees, rent and utilities, materials and supplies, depreciation, and all other expenses attributable to the department excluding employee welfare expenses. The expenses of a department will not include those incremental out-of-pocket expenses that are incurred for the direct benefit and convenience of an individual company or group of companies and Service Company overhead expenses.

3) Charges will be determined by multiplying the hours worked for a particular company by the employees' hourly rates.

4) Those expenses of the Service Company not included in the annual expense of a department will be charged to companies receiving service as follows: Incremental out-of-pocket expenses incurred for the benefit and convenience of a company or group of companies will be charged directly to such company or group of companies. Service Company overhead expenses will be charged to the company in the proportion that the charges made to the company for costs are to the total of such charges to all companies receiving service.

5) When employees render services to a group of companies, a formula will be used to allocate such costs, the specific formula depending on the department or function providing the service.

VNG represents in its application that the proposed changes are in the public interest. The Company states, that by obtaining such services from a consolidated and centralized source that can achieve economies of scale and other business efficiencies, VNG's revenue requirements can be optimized and ultimately reduced from current levels. Better quality of service can be provided through updated systems that might not otherwise have been available to VNG, all to the benefit of VNG's customers. VNG states that the costs allocation standards and procedures proposed will ensure that no subsidization of regulated or unregulated affiliates will occur as a result of the modifications to the General Services Agreement.

THE COMMISSION, upon consideration of the application and representations of the Applicant and having been advised by its Staff, is of the opinion and finds that the proposed modifications to VNG's existing General Services Agreement are in the public interest and should be approved. Accordingly,

IT IS ORDERED THAT:

1) Pursuant to Virginia Code § 56-77, Virginia Natural Gas, Inc. is hereby granted approval for the proposed modifications to its existing General Services Agreement with Consolidated Natural Gas Service Company, Inc., as described herein.

2) Any further changes in the terms and conditions of the General Services Agreement from those contained herein shall require Commission approval.

3) The approval granted herein shall have no ratemaking implications.

4) The approval granted herein shall not preclude the Commission from exercising the provisions of Virginia Code §§ 56-78 and 56-80 hereafter.

5) The Commission reserves the authority to examine the books and records of any affiliate of VNG in connection with the approval granted herein whether or not such affiliate is regulated by the Commission.

6) The approval granted herein shall supersede the approvals granted in Case No. PUA950068 and Case No. PUA960028.

7) Applicant shall file an Annual Report of Affiliate Transactions with the Director of Public Utility Accounting by May 1 of each year, beginning May 1, 1999, for transactions for the prior calendar year. The report shall include all affiliate transactions regardless of amount involved and shall supersede all previous reporting requirements for affiliate transactions. The report shall contain the following: 1) Affiliate's name; 2) Description of each affiliate arrangement/agreement; 3) Dates of each affiliate arrangement/agreement; 4) Total dollar amount of each affiliate arrangement/agreement; 5) Component costs of each arrangement/agreement where services are provided to an affiliate (i.e., direct/indirect labor, fringe benefits, travel/housing, materials, supplies, indirect miscellaneous expenses, equipment/facilities charges, and overhead); 6) Profit component of each arrangement/agreement where services are provided to an affiliate and how such component is determined; 7) Comparable market values and documentation related to each arrangement/agreement; 8) Percent/dollar amount of each affiliate arrangement/agreement charged to expense and/or capital accounts; and 9) Allocation bases/factors for allocated costs.

8) There appearing nothing further to be done in this matter, the same be, and it hereby is, dismissed.

CASE NO. PUA970051
FEBRUARY 20, 1998

APPLICATION OF
C & P SUFFOLK WATER COMPANY

For approval of acquisition of the water supply facility serving the subdivision known as Idlewood

ORDER GRANTING APPROVAL

C & P Suffolk Water Company ("C & P Suffolk", "the Company", "the Applicant"), has filed an application with the Commission under the Utility Transfers Act requesting approval to acquire the water supply facility serving the subdivision known as Idlewood from Idlewood Farms, Inc. ("Seller"). The Idlewood Water System ("Water System") has approximately 60 customers and is located within the City of Suffolk, Virginia.

As described in the application, C & P Suffolk seeks to acquire the entire working water systems, i.e., property upon which the wells are located, all necessary equipment and hardware associated with the wells and the distribution of water, the customer list, certificates, franchises, etc. The Water System has been in operation for approximately 35 years.

According to information contained in the Memorandum of Understanding, submitted with the application, the purchase price for the Idlewood Water System was $18,440.00. By a separate letter dated January 29, 1998, the Company requested an amendment to the original application. The purpose of the amendment was to correct the purchase price reflected in the application from $18,440.00 to $18,140.00. A purchase deposit of $9,000.00 was issued to the Seller on November 3, 1997, with the balance due at closing on January 1, 1998. As indicated by the Company, the purchase price was negotiated between C & P Suffolk and the Seller. The Company states that there were no affiliations between C & P Suffolk and Seller which would have influenced the negotiated purchase price.

In its application, the Company states that the principals, Ted W. Christian and David D. Pugh, possess considerable knowledge and expertise in the field of supplying water and the installations and repair of wells and water systems. The Company represents that due to their expertise, C & P Suffolk will be in a position to operate and manage the Water System. The Company further represents that it will be able to continue to provide adequate service to the public at just and reasonable rates and that the service which the public receives at this time will not be impaired or jeopardized by the proposed acquisition.

THE COMMISSION, upon consideration of the application and representation of the Applicant and having been advised by its Staff, is of the opinion and finds that the above-described transfer of utility assets will neither impair nor jeopardize the provision of adequate service to the public at just and reasonable rates and is in the public interest. Accordingly,

IT IS ORDERED THAT:

1) Pursuant to §§ 56-89 and 56-90 of the Code of Virginia, C & P Suffolk Water Company is hereby granted approval to acquire the water facility used to provide service to the subdivision of Idlewood from Idlewood Farms, Inc., under the terms and conditions and at the price of $18,140.00 as described herein.

2) The approval granted herein shall in no way be deemed to include the recovery of any costs or charges in connection with the approval granted herein for ratemaking purposes.

3) There appearing nothing further to be done in this matter, the same be, and it hereby is, dismissed.

CASE NO. PUA970052
APRIL 17, 1998

JOINT PETITION OF
WORLDCOM, INC.
and
MCI COMMUNICATIONS CORPORATION

For approval of agreement and plan of merger

ORDER GRANTING APPROVAL

On November 26, 1997, WorldCom, Inc. ("WorldCom"), and MCI Communications Corporation ("MCI") (collectively, the "Petitioners") filed a Joint Petition with the Commission requesting approval, pursuant to § 56-88.1 of the Code of Virginia, of an agreement and plan of merger that would result in a transaction whereby MCI would merge with and into TC Investments Corp.,[1] a wholly-owned subsidiary of WorldCom. The Petitioners request expedited treatment of the Joint Petition.

WorldCom is a Georgia corporation publicly traded on the NASDAQ Stock Market. WorldCom is authorized, through affiliates, to offer intrastate interexchange and local telecommunications services in the Commonwealth of Virginia, and is authorized by the Federal Communications Commission("FCC") to offer domestic interstate and international services as a non-dominant carrier nationwide.

[1] TC Investments Corp. will be renamed MCI Communications Corp.

MCI is a Delaware corporation publicly traded on the NASDAQ Stock Market. MCI is also, through its affiliates, authorized to provide intrastate interexchange, local telephone and competitive access services in the Commonwealth of Virginia. MCI's operating subsidiaries are also authorized by the FCC to offer domestic interstate and international services nationwide.

WorldCom and MCI have stated that the proposed merger will enable the Petitioners to realize significant economic and marketing efficiencies and enhancements by merging the two entities and establishing MCI as a wholly-owned subsidiary of WorldCom. The Boards of Directors and stockholders of both companies have approved the transaction.

The Petitioners represent that the proposed merger is in the public interest because, combined, the two companies can use synergies to accelerate competition, especially in local markets, by creating a company with the capital, marketing abilities, and network to compete against incumbent carriers. The Petitioners further represent that the competitive benefits of the proposed merger, particularly for local, interexchange, and international services, are substantial. The Petitioners state that, by creating a more effective and multi-faceted carrier in the local exchange sector, the proposed merger will significantly enhance competitive choices for telecommunications customers in the Commonwealth of Virginia.

In the Petition, WorldCom and MCI further state that neither entity controls any bottleneck facilities or incumbent carrier network and that neither has market power in any telecommunications service. The Petitioners represent that the industry segment in which their combined market shares are the largest, long distance services, is the sector that is most competitive and has virtually no barriers to entry.

Under the terms of the Merger Agreement, holders of MCI Common Stock will receive shares of WorldCom Common Stock pursuant to an agreed upon Exchange Ratio. Upon completion of the merger, current holders of MCI's Common Stock will own approximately forty-five percent of the combined company as determined by the Exchange Ratio as of the closing date. The merger will be accounted for as a purchase and will be tax-free to MCI stockholders.

British Telecom was previously granted Commission approval to acquire MCI. However, that company has agreed to support the MCI merger with WorldCom and has agreed to vote against any alternative transactions.

On December 8, 1997, the Commission issued an Order for Notice and Comments and Requests for Hearing. On December 31, 1997, WorldCom provided proof of notice as directed by the Commission in that Order.

On January 9, 1998, Comments and Request for Hearing were filed by the Communications Workers of America(the "CWA") and GTE Corporation and GTE Communications Corporation (collectively, "GTE"). In its Comments and Request for Hearing, the CWA expressed the following concerns: that the merger will have the anticompetitive effect of significantly increasing the merged entity's market power to set prices for its Internet access; that the proposed merger will hurt universal service; that the proposed merger will adversely affect competition in the local exchange market; and that the proposed merger will result in a significant loss of telecommunications jobs in Virginia.

In its Comments and Request for Hearing, GTE alleged, inter alia, that the proposed merger may have an anti-competitive effect on the provision of interexchange network service and on competition for local exchange service in Virginia. GTE stated that the Joint Petition failed to address the statutory standards for approval of the proposed merger and requested a hearing to determine whether the proposed merger meets the requirements of § 56-90.

On January 16, 1998, the Petitioners filed a pleading opposing the comments and request for hearing filed by GTE and CWA. The Petitioners asserted that the proposed merger meets the statutory requirements of § 56-90, and alleged that GTE has an interest in acquiring control of MCI and in obstructing regulatory approval of the proposed merger. The Petitioners denied that the merger would have an anti-competitive effect on the interexchange telecommunications market and stated that the merger would enhance competition for local service. The Petitioners also denied CWA's allegation that universal service would be adversely affected by the merger and that the savings resulting from the merger would come solely from the downsizing of the organization. The Petitioners stated that CWA's concerns regarding the provision of Internet backbone service were without merit and that such concerns were beyond the scope of this proceeding.

On February 12, 1998, GTE filed a Motion to Dismiss or, in the Alternative, for Leave to File Supplemental Comments and Request for Hearing. In that motion GTE stated that the Joint Petition should be dismissed for failure to furnish the Commission with sufficient evidence to support a determination that the applicable statutory criteria had been satisfied. In the alternative, GTE sought leave for its filing to be treated as GTE's Supplemental Comments and Request for Hearing. GTE requested a hearing to determine whether the Petitioners could develop sufficient evidence to support approval of the proposed merger.

On March 23, 1998, Staff filed its report. Staff recommended approval of the Joint Petition with a report of action to be filed December 31, 1998. Staff concluded that the proposed transfer of control meets the test of the Utility Transfers Act in that "adequate service to the public at just and reasonable rates will not be impaired or jeopardized." Staff noted that after review of information contained in the Joint Petition, additional information obtained from the Petitioners in response to Staff inquiries, information published in financial reports, and comments filed by the CWA and GTE, it was satisfied that it had sufficient information to make such a determination. Staff noted there was no evidence that the proposed merger would jeopardize the provision of adequate service to the public at just and reasonable rates.

In its report, Staff addressed the concerns raised by the CWA and GTE. Staff represented that the competitive nature of the services provided by WorldCom and MCI and the Commission's method of regulation of the markets in which those companies operate was key to evaluation of the proposed merger and provided the implicit definition of "adequate service at just and reasonable rates" under § 56-90. Furthermore, the Company's customers in Virginia will have the option of easily changing service providers if they are no longer satisfied with the service being provided for the price paid. Staff also noted that the Commission does not regulate or appear to have jurisdiction over Internet services.

In a motion filed on March 25, 1998, GTE requested leave to submit comments on Staff's Report. Pursuant to a Commission Order entered on March 27, 1998, GTE filed those comments on April 3, 1998.

In its comments GTE requests that the Commission not adopt Staff's recommendation and that it either deny WorldCom/MCI's request for approval of the merger or set the matter for hearing. GTE stated that Staff's Report erroneously interprets and applies the relevant statutory criteria and that its recommendation is not supported by the evidence. GTE maintains that Staff disregards information supplied by GTE.

On April 3, 1998, the CWA filed comments on Staff's Report. The CWA objects to Staff's recommendation for approval of the Joint Petition and alleges that the proposed merger will reduce the number of facilities-based competitors and delay the development of competition for residential and small business customers in the local loop. The CWA also alleges that the merger will result in loss of job growth in Virginia and will harm the intrastate Internet market by creating an entity with more than 63% control of the Internet backbone.

NOW THE COMMISSION, upon consideration of the Joint Petition, the pleadings of the CWA, GTE and the Staff Report, is of the opinion and finds that the above-described merger would neither impair nor jeopardize the provision of adequate service to the public at just and reasonable rates and should, therefore, be approved. We find further that none of the allegations raised herein must be resolved by hearing. Even if all the allegations are viewed in the light most favorable to the CWA and GTE, we still find that the proposed merger meets the criteria of the Utility Transfers Act. Accordingly,

IT IS ORDERED THAT:

(1) Pursuant to §§ 56-88.1 and 56-90 of the Code of Virginia, approval is hereby granted for the Agreement and Plan of Merger as described in the joint petition.

(2) A Report of Action shall be filed no later than December 31, 1998, and shall include the date the merger was consummated and the total amount of the transaction.

(3) There appearing nothing further to be done in this matter, it shall be dismissed.

CASE NO. PUA970054
FEBRUARY 26, 1998

APPLICATION OF
INTERMEDIA COMMUNICATIONS INC.,
SHARED TECHNOLOGIES FAIRCHILD INC.,
and
ACCESS VIRGINIA, INC.

For approval of a transfer of control

ORDER GRANTING APPROVAL

On December 15, 1997, Intermedia Communications Inc. ("ICI"), Shared Technologies Fairchild Inc. ("STFI"), and Access Virginia, Inc. ("Access Virginia") (collectively "Applicants"), filed an application with the Commission pursuant to Chapter 5 of Title 56 of the Code of Virginia requesting Commission approval to transfer control of Access Virginia from the current shareholders of STFI to ICI. Access Virginia currently is certificated to provide local exchange telecommunications services in Virginia and will continue to operate as a telecommunications provider in Virginia after the transfer of control.

As stated in the application, ICI is a publicly held Delaware corporation headquartered in Tampa, Florida. As further described in the application, ICI is a rapidly growing provider of integrated telecommunications services offering a full range of local, long distance, and enhanced data services to business and government customers, long distance carriers, Internet service providers, and wireless communications companies. ICI operates as both a facilities-based and resale carrier. ICI is authorized by the Federal Communications Commission ("the FCC") to provide interstate and international telecommunications services. ICI also is authorized to provide intrastate toll telecommunications services in all fifty states and the District of Columbia. ICI is authorized to provide local telecommunications services in thirty-five states and the District of Columbia, including Virginia. ICI received its authority to provide intrastate telecommunications services in Virginia on August 6, 1997.

STFI is a publicly held Delaware corporation traded on the NASDAQ stock market. Its principal office is in Wethersfield, Connecticut. STFI is the parent company of Shared Technologies Fairchild Communications Corp., which, in turn, is the parent company of Access Virginia, Inc. An affiliate of Access Virginia is authorized by the FCC to provide interstate and international telecommunications services. Affiliates of Access Virginia also are authorized to provide intrastate toll telecommunications services in twenty-five states. Affiliates of Access Virginia are authorized to provide local telecommunications services in fifteen states. Access Virginia received authority to provide intrastate telecommunications services in Virginia on July 23, 1997.

As stated in the application, on November 25, 1997, ICI and STFI entered into a definitive Agreement and Plan of Merger ("the Merger Agreement") pursuant to which ICI will acquire STFI by purchasing all of STFI's outstanding shares of stock from STFI's current stockholders. Since STFI is the ultimate parent company of Access Virginia, the acquisition of STFI by ICI will result in a transfer of ultimate control of Access Virginia to ICI. The transfer of control will be accomplished through a newly formed special purpose subsidiary of ICI, Moonlight Acquisition Corp. Moonlight Acquisition Corp. will be merged with and into STFI with STFI the surviving entity. STFI will thereafter be a wholly owned subsidiary of ICI. Access Virginia will continue to exist as a wholly owned subsidiary of STFI. The boards of directors of ICI and STFI have approved the Merger Agreement.

Under the terms of the Merger Agreement, each share of issued and outstanding STFI common stock will be exchanged for $15.00 payable to the holder of each share of stock. ICI also is acquiring outstanding shares of STFI's preferred and convertible preferred stock. ICI estimates the total cost of the acquisition to be approximately $749 million. The costs will be paid from existing cash reserves. Applicants represent that consummation of the transaction will not in any way undermine the financial condition of ICI or its ability to continue to provide high quality telecommunications services to customers in Virginia.

After the transfer of control, Access Virginia will survive for an indefinite period as a wholly owned subsidiary of STFI, and STFI will be a subsidiary of ICI. Access Virginia will continue to operate, as it has in the past, pursuant to the same name, tariff, and operating authority. Applicants, therefore, represent that the proposed transfer will be seamless and will have no adverse impact on Access Virginia's customers in Virginia. On the contrary, states Applicants, Access Virginia's access to ICI's capital, economies of scale, and various service offerings will enable it to improve its services to both existing and new customers. Applicants further state that ICI possesses all financial, management, and technical qualifications necessary to assume ultimate control of Access Virginia.

THE COMMISSION, upon consideration of the application and representation of Applicants and having been advised by its Staff, is of the opinion and finds that the above-described transfer of control will neither impair nor jeopardize the provision of adequate service to the public at just and reasonable rates and should be approved. Accordingly,

IT IS ORDERED THAT:

1) Pursuant to §§ 56-88.1 and 56-90 of the Code of Virginia, approval is hereby granted for the proposed Agreement and Plan of Merger as described herein.

2) There appearing nothing further to be done in this matter, it is hereby dismissed.

CASE NO. PUA970055
FEBRUARY 2, 1998

APPLICATION OF
DALE SERVICE CORPORATION

For approval to transfer the stock of Dale Service Corporation to a second trust, the Second Children's Charitable Trust

ORDER GRANTING APPROVAL

Dale Service Corporation ("Dale Service", "the Company", "the Applicant") has filed an application with the Commission under the Utility Transfers Act requesting approval to transfer the stock of Dale Service to a second trust, the Second Children's Charitable Trust ("the Children's Trust"). The Children's Trust was created for the benefit of Cecil D. Hylton's children and is managed and administered by Conrad C. Hylton, George A. Halfpap and Malcolm W. Cook, in their capacity as Trustees.

The Applicant represents that, originally all of Dale Service's stock was owned by one individual, Cecil D. Hylton. Upon the death of Cecil Hylton, this stock was transferred to the Marital Trust For The Benefit Of Irene V. Hylton, which is managed and administered by the named Trustees, Conrad C. Hylton, George A. Halfpap, and Malcolm W. Cook.

The Company states that the proposed transfer described in this application will not impact either the quality of service or the rates at which such service is currently provided by Dale Service. The Company further states that it will continue to provide sewerage service at just and reasonable rates and with a high level of service reliability throughout its service territories in Dale City. As stated in the application, the proposed stock transfer will not affect the managerial or technical organization currently supporting Dale Service's operations in Virginia.

THE COMMISSION, upon consideration of the application and representation of the Applicant and having been advised by its Staff, is of the opinion and finds that the above-described transfer of stock will neither impair nor jeopardize the provision of adequate service to the public at just and reasonable rates and is in the public interest. Accordingly,

IT IS ORDERED THAT:

1) Pursuant to § 56-88.1 of the Code of Virginia, Dale Service Corporation is hereby granted approval to transfer the stock of Dale Service to the Children's Trust under the terms and conditions as described herein.

2) The approval granted herein shall have no ratemaking implications.

3) The Applicant shall file a Report of Action no later than March 31, 1998. The Report of Action shall contain the date of transfer, and the value of the stock price at the time of transfer.

4) This matter shall be continued generally, subject to the continuing review, audit and appropriate directive of this Commission.

CASE NO. PUA970056
FEBRUARY 26, 1998

APPLICATION OF
KMC TELECOM OF VIRGINIA, INC.

For approval of an intracorporate reorganization and related pro forma transfer transactions

ORDER GRANTING APPROVAL NUNC PRO TUNC

On December 29, 1997, KMC Telecom of Virginia, Inc. ("KMC-VA" or "Applicant") filed an application with the Commission pursuant to Chapter 5 of Title 56 of the Code of Virginia requesting Commission approval nunc pro tunc of a series of pro forma transactions related to the intracorporate reorganization of KMC-VA into a holding company-subsidiary structure. As explained in the application, Applicant represents that the new structure will give it greater access to working capital and allow it to establish expanded and more efficient marketing and administrative operations. Applicant further represents that these intracorporate changes are expected to strengthen its competitive position and improve its capacity to provide high quality telecommunications services to consumers in Virginia and elsewhere.

Applicant states in its application that the proposed reorganization will not affect its Virginia management or operations and will not change de facto control of Applicant. KMC-VA has not begun providing services in Virginia, and the changes are entirely intracorporate. Therefore, Applicant represents that the proposed changes will not disrupt service or otherwise cause confusion or inconvenience to Virginia users.

On December 19, 1996, KMC-VA was issued two certificates by this Commission which authorized it to provide intrastate local exchange telephone service and interexchange telecommunications service. KMC-VA's affiliates are also authorized by other state public utility commissions to provide resold interexchange telecommunications services and competitive local exchange and access services in seventeen states.

As stated in the application, KMC-VA was formed as a corporation whose stock was 100% owned by KMC Telecom, Inc. ("KMC Telecom"), which itself was 100% owned by Harold Kamine. KMC-VA will ultimately become a wholly owned corporate subsidiary of KMC Telecom Holdings, Inc. ("KMC Holdings"), and a sister subsidiary of KMC Telecom. As represented by Applicant, Harold Kamine owns a majority of the common stock of KMC Holdings. KMC Holdings owns the newly created KMC Telecom II, Inc. ("KMC II"), which will be a sister subsidiary of KMC-VA and KMC Telecom. Applicant intends to establish a structure whereby the direct shareholders of KMC-VA's parent company, KMC Telecom, would hold ownership interests in the holding company, KMC Holdings. KMC Holdings, in turn, would own three wholly owned subsidiaries: KMC Telecom, KMC II, and KMC-VA.

THE COMMISSION, upon consideration of the application and representation of Applicant and having been advised by its Staff, is of the opinion and finds that the above-described intracorporate reorganization as described herein will neither impair nor jeopardize the provision of adequate service to the public at just and reasonable rates and should be approved. Accordingly,

IT IS ORDERED THAT:

1) Pursuant to §§ 56-88.1 and 56-90 of the Code of Virginia, approval is hereby granted nunc pro tunc for the proposed intracorporate reorganization as described herein.

2) There appearing nothing further to be done in this matter, it is hereby dismissed.

CASE NO. PUA980001
FEBRUARY 9, 1998

JOINT APPLICATION OF
GTE SOUTH INCORPORATED,
GTE DATA SERVICES INCORPORATED,
and
GTE GOVERNMENT SYSTEMS CORPORATION

For approval to amend an affiliate agreement

ORDER GRANTING APPROVAL

GTE South Incorporated ("GTE South", "the Company", "the Applicant"), GTE Data Services Incorporated ("GTEDS"), and GTE Government Systems Corporation ("GovSys"), (collectively referred to as "the Joint Applicants, "the Companies", "the Applicants") have filed an application with the Commission under the Public Utilities Affiliates Act for approval to amend an affiliate agreement.

GTE South is a Virginia corporation authorized to do business in Alabama, Illinois, Kentucky, North Carolina, South Carolina, and Virginia. GTE South provides local exchange, access and intraLATA toll service within its certificated service areas in this state. The Company is a wholly-owned subsidiary of GTE Corporation.

GTE Data Services Incorporated is a Delaware corporation. GTEDS is an international corporation in the data processing industry and provides computer processing and professional information services to GTE Telephone Operating Companies in the United States, Canada, and the Dominican Republic, as well as to other GTE subsidiaries. GTEDS is a wholly-owned subsidiary of GTE Corporation, and as such, it is an affiliate of GTE South.

GTE Government Systems Corporation is a Delaware corporation. GovSys is a leader in the advancement of the development of telecommunications, international intelligence systems and communication switching, as well as a major systems integrator of customized systems for defense, government, and industry. GovSys is a wholly-owned subsidiary of GTE Corporation, and as such, is an affiliate of GTE South.

By a joint application filed with the Commission on May 13, 1996, GTE South, GTEDS, and GovSys sought Commission approval of two separate affiliate agreements, the Master Service Agreement dated July 7, 1994, and the Master Agreement For Software Development dated August 8, 1996 ("Agreements"). By Order dated April 19, 1997, in Case No. PUA960030, the Commission approved both Agreements.

By another joint application filed with the Commission on April 30, 1997, GTE South, GTEDS, and GovSys sought Commission approval of Amendment No. 1 to the Master Agreement For Software Development ("Amendment No. 1") executed December 4, 1996. Amendment No. 1 extended the contract until September 30, 1998. By Order issued May 28, 1997, in Case No. PUA970022, the Commission approved Amendment No. 1.

In this application, the Joint Applicants now seek Commission approval of a second amendment to the Master Agreement For Software Development ("Amendment No. 2"), which was entered into July 1, 1997. The Companies state that the primary purpose of Amendment No. 2 is to update and revise the legal entities of GTE Corporation which can engage the services of GovSys under the terms and conditions of the Master Software Agreement and Amendment No. 1. The Companies further state that all other terms and conditions remain unchanged and in full force. The Applicants seek prospective approval of Amendment No. 2.

The Applicants represent that approval of Amendment No. 2 will not result in GTE South providing any subsidy to GTEDS, GovSys or any other nonregulated entity, nor will the Company be exposing itself to any unnecessary business risk. The Companies indicate in the application that the proposed agreement changes no terms or conditions that impact GTE South. Thus, it should have no impact on the Company's ratepayers in Virginia.

NOW THE COMMISSION, upon consideration of the application and representation of the Applicants and having been advised by its Staff, is of the opinion and finds that the above-described Amendment No. 2 is in the public interest and should be approved prospectively and subject to the pricing policy as outlined in the Commission's Order dated August 7, 1997, in Case No. PUC950019. To ensure that Amendment No. 2 continues to be in the public interest, GTE South should obtain services at the lower of market or cost, plus a reasonable return. The Company should maintain evidence of this pricing policy to be available for Commission Staff review as needed. GTE South shall include evidence or documentation in its Annual Report of Affiliate Transactions of any unsuccessful attempts to acquire market price. The determination of market price shall be an ongoing process using methods such as competitive bids, appraisals, catalog listings, replacement cost of assets and sales to third parties. Accordingly,

IT IS ORDERED THAT:

1) Pursuant to § 56-77 of the Code of Virginia, the Applicants are hereby granted approval of Amendment No. 2 under the terms and conditions and for the purposes as described herein subject to the following pricing policy. Where it is most economical for the utility to purchase the product or service from the market, it should do so, and where it can save money by purchasing from an affiliate at the affiliate's cost, including a reasonable return for the affiliate on the transaction, it should do that. Where the Company proposes that the Commission set rates based on charges from an affiliate, the charges must be based on the affiliate's cost, including a reasonable return, so long as this cost does not exceed the market price.

2) The Company shall include in all general rate proceedings and Annual Informational Filings evidence that the pricing policy stated herein has been followed.

3) The approval granted herein shall in no way be deemed to include the recovery of any costs or charges in connection with the approval granted herein for ratemaking purposes.

4) The approval granted herein shall not preclude the Commission from exercising the provisions of §§ 56-78 and 56-80 of the Code of Virginia hereafter.

5) Should there be any changes in the terms and conditions of the Master Agreement For Software Development from those contained herein, Commission approval shall be required for such changes.

6) The Commission reserves the authority to examine the books and records of any affiliate in connection with the approval granted herein whether or not such affiliate is regulated by the Commission, pursuant to § 56-79 of the Code of Virginia.

7) The Applicant shall include Amendment No. 2 to the Master Agreement For Software Development in its Annual Report of Affiliate Transactions to be filed with the Director of Public Utility Accounting of the Commission by no later than May 1 of each year, for the preceding calendar year, beginning May 1, 1998. Information to be included in the Report is as follows: 1) affiliate's name; 2) description of each affiliate arrangement/agreement; 3) dates of each affiliate arrangement/agreement; 4) total dollar amount of each affiliate arrangement/agreement; 5) component costs of each arrangement/agreement where services are provided to an affiliate (i.e., direct/indirect labor, fringe benefits, travel/housing, materials, supplies, indirect miscellaneous expenses, equipment/facilities charges, and overhead); 6) profit component of each arrangement/agreement where services are provided to an affiliate and how such component is determined; 7) comparable market values and documentation related to each arrangement/agreement; 8) percent/dollar amount of each affiliate arrangement/agreement charged to expense and/or capital accounts; and 9) allocation bases/factors for allocated costs. The report shall include all agreements with affiliates regardless of amount involved and shall supersede all other affiliate reporting requirements previously ordered.

8) If Annual Informational and/or General Rate Case Filings are not based on a calendar year, then the Applicant shall include the affiliate information contained in the Annual Report of Affiliate Transactions in such filings.

9) There appearing nothing further to be done in this matter, the same be, and it hereby is, dismissed.

CASE NO. PUA980002
MAY 18, 1998

APPLICATION OF
UNITED WATER VIRGINIA INC.

For approval of a Sector Agreement with its affiliate, United Water Delaware Inc.

ORDER GRANTING APPROVAL

United Water Virginia Inc. ("UWV", "Company", "the Applicant"), has filed an application with the Commission under the Public Utilities Affiliates Act for approval of a Sector Agreement ("the Agreement") with its affiliate, United Water Delaware Inc. ("UWD").

As stated in the application, UWD and UWV are both subsidiaries of United Waterworks Inc., ("UWW") a Delaware corporation. UWW was recently reorganized based on a geographical sector concept in which the larger utilities, such as UWD, provide certain operational and management support for smaller utilities within the sector, such as UWV, on an as needed basis. The Applicant states that UWD maintains an organization whose officers and employees are familiar with all facets of the water utility business. Such officers and employees are qualified to render the services to be performed under the proposed Agreement. The Applicant further states that the Company can economically obtain valuable management and operating services of superior quality by contracting to secure the same from UWD.

UWV states, in its application, that UWD shall make qualified employees available to furnish to UWV, and UWV shall utilize, as needed, general management and operation services upon the terms and conditions hereinafter set forth. In order to render such services and to promote the efficient and economic operation of the Company, UWV states that UWD's employees shall keep themselves informed of all aspects of the Company's operations and shall regularly visit the Company's facilities. Such personnel may make recommendations for operating expenditures and additions to, and improvements of, property, plant, and equipment. UWD or UWV, by mutual consent, may engage a non-affiliated company or person to provide such services.

Company states that the services to be rendered under this Agreement are to be rendered at cost to UWV. The extent of service rendered by UWD personnel to UWV shall be based on actual time spent by such personnel, as reflected in their daily time sheets or other mutually acceptable means of determination, and shall be charged directly to UWV.

The Applicant further states that, in determining the cost to be assessed by UWD for services rendered to the Company, a percentage sufficient to cover the general overhead of UWD shall be added to the salaries of all officers and employees. Such percentage shall be calculated on the basis of budgeted costs and will be adjusted periodically to reflect actual costs. No general overhead of UWD shall be added to costs incurred for services of non-affiliated consultants employed by UWD. The term general overhead shall include: (a) pension and insurance premiums paid for the benefit of UWD employees, (b) salaries paid during vacation, holidays, sickness, and other authorized absences, and (c) payroll-related taxes.

Company represents that UWD has entered, or may enter, into similar agreements to provide similar services for other utility companies that are affiliated with UWW. Company additionally states that UWD will not enter into agreements to perform similar services for other companies on terms more favorable than those provided to UWV. As stated in the application, the Agreement shall be effective as of November 18, 1997, subject to approval of governmental regulatory agencies having jurisdiction. The Agreement shall continue until terminated by either of the parties giving the other party ninety days' notice in writing, or as of the date UWV or UWD ceases to be an affiliate of UWW.

NOW THE COMMISSION, upon consideration of the application and representation of Company and having been advised by its Staff, is of the opinion and finds that the above-described Sector Agreement will be in the public interest and should be approved. Accordingly,

IT IS ORDERED THAT:

1) Pursuant to § 56-77 of the Code of Virginia, United Water Virginia Inc., is hereby granted approval of the Sector Agreement as described herein.

2) Any modifications in the terms and conditions of the Agreement shall require Commission approval.

3) The approval granted herein shall in no way be deemed to include the recovery of any costs or charges in connection with the approval granted herein for ratemaking purposes.

4) The approval granted herein shall not preclude the Commission from exercising the provisions of §§ 56-78 and 56-80 of the Code of Virginia hereafter.

5) The Commission reserves the authority to examine the books and records of any affiliate in connection with the approval granted herein whether or not such affiliate is regulated by the Commission, pursuant to § 56-79 of the Code of Virginia.

6) Company shall file an Annual Report of Affiliate Transactions with the Director of Public Utility Accounting of the Commission by no later than May 1 of each year, for the preceding calendar year, beginning May 1, 1999, subject to extension by the Director of Public Utility Accounting of the Commission. Information to be included in the Report is as follows: 1) affiliate's name; 2) description of each affiliate arrangement/agreement; 3) dates of each affiliate arrangement/agreement; and 4) total dollar amount of each affiliate arrangement/agreement. The report shall include all agreements with affiliates regardless of amount involved and shall supersede all other affiliate reporting requirements previously ordered.

7) There appearing nothing further to be done in this matter, the same be, and it hereby is, dismissed.

CASE NO. PUA980003
MAY 14, 1998

JOINT APPLICATION OF
GTE SOUTH INCORPORATED,
GTE INTELLIGENT NETWORK SERVICES INC.,
and
GTE COMMUNICATIONS SYSTEMS CORP.

For approval of an affiliate agreement

ORDER GRANTING APPROVAL

GTE South Incorporated, ("GTE South", "the Company", "the Applicant") is a Virginia corporation authorized to do business in Alabama, Illinois, Kentucky, North Carolina, South Carolina, and Virginia. GTE South provides local exchange, access and intraLATA toll service within its certificated service areas in Virginia. The Company is a wholly-owned subsidiary of GTE Corporation.

GTE Intelligent Network Services Incorporated ("GTEINS") is a Delaware corporation. GTEINS provides Internet services, including high-speed dial-up and dedicated access, web site, firewall, encryption, secure transactions, and other Internet related services. GTEINS is a wholly-owned subsidiary of GTE Corporation and, as such, is an affiliate of GTE South.

GTE Communication Systems Corporation ("GTE Supply") is also a Delaware corporation. GTE Supply is an international distributor of telecommunications and data communications products and services. It provides supply related services and sells telecommunications materials and supplies to the various GTE Telephone Operating Companies ("GTOCs"), including GTE South. GTE Supply is a wholly-owned subsidiary of GTE Corporation and, as such, is an affiliate of GTE South.

By Order dated August 24, 1988, Case No. PUA880009, the Commission approved an agreement between GTE South and GTE Supply. That agreement authorized GTE Supply to provide supply related services, including negotiation of contract administration, to the GTOCs.

In this Joint Application, GTE South, GTEINS, and GTE Supply (collectively, referred to as "the Applicants") seek Commission approval of an affiliate agreement ("the Service Agreement"). The Applicants state that the Service Agreement is between GTEINS and GTE Supply for the benefit of GTE Supply and other affiliated entities, including GTE South.

As stated in the application, the Service Agreement will allow the Company, and all the GTOCs, to have access to web page hosting or storage, web page consulting and developing services, analog or digital dial up access to the internet, and dedicated basic access to the internet, as well as other related services, when requested by an appropriate company purchase order. The Service Agreement is for an initial three-year term, ending December 31, 2000, and is renewable for one, two-year period.

The Applicants represent that the Service Agreement will not result in GTE South providing any subsidy to GTEINS, GTE Supply or any other nonregulated entity nor will the Company be exposing itself to any unnecessary business risk. The Applicants further represent that the proposed agreement will be beneficial to Virginia ratepayers. According to the Applicants, the Service Agreement should afford the Company access to quality services at competitive rates which should improve the Company's operational efficiencies, thereby lowering the Company's overall cost of doing business which benefits the public interest.

NOW THE COMMISSION, upon consideration of the application and representation of the Applicant and having been advised by its Staff, is of the opinion and finds that the above-described Service Agreement will be in the public interest and should be approved subject to the pricing policy as outlined in the Commission's Order dated August 7, 1997, in Case No. PUC950019. To ensure that the Service Agreement continues to be in the public interest, GTE South should obtain services at the lower of market or cost, plus a reasonable return. The Company should maintain evidence of this pricing policy to be available for Commission Staff review as needed. GTE South should include evidence or documentation in its Annual Report of Affiliate Transactions of any unsuccessful attempts to acquire market price. The determination of market price should be an ongoing process using methods such as competitive bids, appraisals, catalog listings, replacement cost of assets and sales to third parties. Accordingly,

IT IS ORDERED THAT:

1) Pursuant to § 56-77 of the Code of Virginia, GTE South is hereby granted approval to enter into the Service Agreement under the terms and conditions and for the purposes as described herein subject to the following pricing policy. Where it is most economical for the utility to purchase the product or service from the market, it shall do so, and where it can save money by purchasing from an affiliate at the affiliate's cost, including a reasonable return for the affiliate on the transaction, it shall do that. Where the Company proposes that the Commission set rates based on charges from an affiliate, the charges must be based on the affiliate's cost, including a reasonable return, so long as this cost does not exceed the market price.

2) The approval granted herein shall expire on December 31, 2000, and any extensions of the Service Agreement shall require subsequent Commission approval.

3) The Company shall include in all general rate proceedings and Annual Informational Filings evidence that the pricing policy stated herein has been followed.

4) The approval granted herein shall in no way be deemed to include the recovery of any costs or charges in connection with the approval granted herein for ratemaking purposes.

5) The approval granted herein shall not preclude the Commission from exercising the provisions of §§ 56-78 and 56-80 of the Code of Virginia hereafter.

6) Should there be any changes in the terms and conditions of the Service Agreement from those contained herein, Commission approval shall be required for such changes.

7) The Commission reserves the authority to examine the books and records of any affiliate in connection with the approval granted herein whether or not such affiliate is regulated by the Commission, pursuant to § 56-79 of the Code of Virginia.

8) The Applicant shall file an Annual Report of Affiliate Transactions with the Director of Public Utility Accounting of the Commission by no later that May 1 of each year beginning May 1, 1999, subject to extension by the Director of Public Utility Accounting of the Commission. Information to be included in the Report is as follows: 1) affiliate's name; 2) description of each affiliate arrangement/agreement; 3) dates of each affiliate arrangement/agreement; 4) total dollar amount of each affiliate arrangement/agreement; 5) component costs of each arrangement/agreement where services are provided to an affiliate (i.e., direct/indirect labor, fringe benefits, travel/housing, materials, supplies, indirect miscellaneous expenses, equipment/facilities charges, and overhead); 6) profit component of each arrangement/agreement where services are provided to an affiliate and how such component is determined; 7) comparable market values and documentation related to each arrangement/agreement; 8) percent/dollar amount of each affiliate arrangement/agreement charged to expense and/or capital accounts; and 9) allocation bases/factors for allocated costs. The report shall include all agreements with affiliates regardless of amount involved and shall supersede all other affiliate reporting requirements previously ordered.

9) If Annual Informational and/or General Rate Case Filings are not based on a calendar year, then the Applicant shall include the affiliate information contained in the Annual Report of Affiliate Transactions in such filings.

10) There appearing nothing further to be done in this matter, the same be, and it hereby is, dismissed.

CASE NO. PUA980004
MARCH 30, 1998

JOINT PETITION OF
AT&T CORP.
and
TELEPORT COMMUNICATIONS GROUP INC.

For approval of Agreement and Plan of Merger

ORDER GRANTING APPROVAL

On January 29, 1998, AT&T Corp. ("AT&T") and Teleport Communications Group Inc. ("TCG") (collectively "the Petitioners"), filed a Joint Petition with the Commission under the Utility Transfers Act requesting authority to transfer control of TCG to AT&T. An Order for Notice and Comments and Requests for Hearing was issued February 11, 1998. No comments or requests for hearing were filed with the Commission.

As stated in the Petition, TCG is the holding company parent of TCG Virginia, Inc., which is authorized by the Commission to provide competitive local exchange services and intrastate interexchange telecommunications services within the Commonwealth of Virginia. AT&T is the parent company of AT&T Communications of Virginia, Inc. ("AT&T Virginia"), which is authorized to provide competitive local exchange and interexchange telecommunications services within the Commonwealth of Virginia. Neither AT&T nor any of its affiliates currently are affiliated with TCG.

To accomplish the proposed transfer of control, TCG and AT&T have executed an Agreement and Plan of Merger ("the Merger Agreement"). Pursuant to the Merger Agreement, the proposed transaction is structured such that TA Merger Corp., a newly formed Delaware subsidiary of AT&T formed specifically for the purpose of consummating the transaction, will merge with and into TCG, with TCG being the surviving entity and a wholly owned subsidiary of AT&T. AT&T expects that immediately following the merger, TCG will begin offering a broad array of competitive local exchange and interexchange telecommunications services principally under the AT&T brand. At the time of the merger, shareholders of TCG will receive, in exchange for each issued and outstanding share of TCG, 0.943 shares of AT&T common stock, as specified in the Merger Agreement.

As described in the Petition, the proposed merger will result in a change in the ultimate owners of TCG but will not involve any immediate change in the manner in which TCG Virginia provides service to its Virginia customers. The Petitioners represent that services currently being provided by TCG Virginia will continue to be offered pursuant to tariffs currently on file with the Commission. The Petitioners further state that following the merger, TCG Virginia will continue to be led by a team of well-qualified telecommunications managers, including existing TCG personnel. Therefore, the Petitioners represent, the merger will have no immediate impact on TCG Virginia customers in terms of the services that they receive, and AT&T and TCG Virginia will honor all commitments to TCG's existing customers.

As stated in the Petition, AT&T intends that TCG will form the cornerstone of AT&T's facilities-based local exchange service offerings and plans over time to integrate services being provided by TCG and other AT&T local exchange services, such as AT&T Digital Link Service, which is currently offered in Virginia. It is stated that these services will be marketed principally under the AT&T brand name as part of a broad range of telecommunications services, including long distance and enhanced services.

The Petitioners state that the proposed transfer of control clearly will benefit the pubic interest in increased competition in the market for telecommunications services in Virginia. It is stated that AT&T is highly dependent on Incumbent Local Exchange Carrier ("ILEC") systems and facilities in its efforts to enter the market for local exchange services and bring the benefits of vigorous competition to that market. It is further stated that since the passage of the 1996 Act, AT&T has experienced a number of technical, economic, and practical difficulties in entering the market for competitive local exchange services. The Petitioners indicate that this is because AT&T was heavily reliant on the use of ILEC systems and facilities. Therefore, the Petitioners feel that it is critical to AT&T's ability to provide robust competitive local exchange services that AT&T have alternative local infrastructure available to it and within its control and management.

In the near-term, AT&T expects that the acquisition of TCG will "jump start" AT&T's provision of facilities-based local exchange service, primarily to business customers and to multiple dwelling units in high density markets currently served by TCG. AT&T also expects that the acquisition of TCG will enhance AT&T's ability to provide end-to-end service to broader classes of customers by enabling AT&T to tap the experience and expertise of TCG's management team to lead AT&T's overall local entry strategy for business and residential customers.

On March 23, 1998, the Commission Staff filed its report. Staff concluded that in reviewing the Petition, there does not appear to be any indication that adequate service to the public at just and reasonable rates will be adversely affected by the merger. In terms of "adequate service," there is no evidence to indicate that at least the same level of service will not be provided to Virginia customers after the merger as before the merger. In terms of "just and reasonable rates," service will continue to be provided by TCG Virginia pursuant to tariffs on file with the Commission, and TCG Virginia and AT&T will honor all commitments to TCG's existing customers.

Staff's position is that the proposed transfer of control would not alter the ability or the necessity of the Virginia certificated subsidiaries of AT&T and TCG to abide by the Commission's standards set forth in either the Commission's Rules Governing the Certification of Interexchange Carriers[1] or the Commission's Rules Governing the Offering of Competitive Local Exchange Telephone Service.[2] Furthermore, customers always have the option of switching service providers should they not be satisfied with the service being provided.

NOW THE COMMISSION, upon consideration of the Joint Petition and representations of the Petitioners and having been advised by its Staff, is of the opinion and finds that the above-described merger would neither impair nor jeopardize the provision of adequate service to the public at just and reasonable rates and should, therefore, be approved. Accordingly,

IT IS ORDERED THAT:

1) Pursuant to §§ 56-88.1 and 56-90 of the Code of Virginia, approval is hereby granted for the Agreement and Plan of Merger as described herein.

2) There appearing nothing further to be done in this matter, it is hereby dismissed.

[1] See 20 VAC 5-400-60

[2] See 20 VAC 5-400-180

CASE NO. PUA980005
JULY 15, 1998

APPLICATION OF
WASHINGTON GAS LIGHT COMPANY

For authority to engage in certain affiliate transactions

ORDER GRANTING AUTHORITY

On February 6, 1998, Washington Gas Light Company ("Washington Gas," "the Company," "the Applicant") filed an application with the Commission pursuant to the Affiliates Act. In its application, Washington Gas requests authority to engage in certain affiliate transactions to permit the participation by Washington Gas Energy Services, Inc. ("WGES"), in an experimental delivery service program that Washington Gas proposes to make available on a limited-term, pilot basis, to its customers requiring gas service on a firm basis. As stated in the application, WGES is a wholly owned indirect subsidiary of Washington Gas engaged in the marketing of natural gas to retail customers. WGES was formerly incorporated as Washington Resources Group, Inc. ("WRG"), but changed its name to Washington Gas Energy Services, Inc., effective July 17, 1996. A Service Agreement between WGES and the Company was approved by the Commission on August 8, 1988, in Case No. PUA880021.

On December 22, 1997, Washington Gas filed an application with the Commission, Case No. PUE971024, requesting approval of an experimental delivery service program to be made available, on a limited-term, pilot basis, to the Company's residential, commercial, and industrial and group metered apartment customers requiring gas service on a firm basis. Washington Gas proposes to begin the program on or before June 1, 1998. The program is a two-year program. However, since Washington Gas proposes rolling enrollment for some services in the pilot program, firm delivery service under the program may extend for up to three years.[1]

As indicated in the application, in the first year of the program up to ten per cent of Washington Gas' customers served under Rate Schedule Nos. 1, 2, and 3 could participate in the program. In the second year, up to twenty per cent of the Company's customers served under Rate Schedule Nos. 1, 2, and 3 could participate. In both years, services will be available to customers and to gas suppliers on a first-come, first-served basis. Gas suppliers may acquire the Company's upstream pipeline capacity to have gas supplies delivered to Washington Gas' city-gate but are not required to do so.

The terms and conditions under which third party suppliers may supply gas to customers under the proposed experimental Rate Schedule Nos. 1A, 2A, and 3A are set forth in the Company's proposed experimental Rate Schedule No. 9, Firm Delivery Service Pilot Program Gas Supplier Agreement. Proposed Rate Schedule No. 9 sets forth the applicable rates as well as penalties for failure to comply with any provision of the rate schedule. Rate Schedule No. 9 sets forth certain obligations on participating gas suppliers to cooperate with customers as well as Standards of Conduct applicable to Washington Gas with respect to its treatment of gas suppliers participating in the experimental delivery service program. In administering the program, the Company must treat all gas suppliers similarly in all respects, regardless of affiliation, and may not give any preferences to WGES or to any other

[1] A customer can enter the second year of the program at any time and would be entitled to one year of service from the date service begins.

participating gas supplier. All revenues received by Washington Gas under the proposed Rate Schedule No. 9 will be credited to firm ratepayers through credits to the Purchased Gas Charge.

Like other gas suppliers participating in Washington Gas' pilot program, WGES may elect to utilize the Company's capacity on upstream interstate pipelines to arrange deliveries of gas supplies to Washington Gas' city-gate. As explained in the Company's application in Case No. PUE971024, due to operating limitations, Washington Gas will release upstream interstate pipeline capacity only on Columbia Gas Transmission Corporation ("Columbia"). To ensure that gas suppliers can obtain sufficient upstream pipeline capacity to serve Washington Gas' customers who have chosen to participate in the pilot program, Washington Gas may assign a portion of its capacity on Columbia to such suppliers at the Federal Energy Regulatory Commission ("FERC")-approved (maximum) rate.

Since Columbia's charges are below Washington Gas' average pipeline charge, any gas supplier receiving an assignment of Washington Gas' upstream pipeline capacity in the pilot program will also be subject to a Capacity Equalization Charge designed to ensure that they pay the average cost of Washington Gas' upstream pipeline capacity. Available upstream pipeline capacity after gas suppliers participating in the pilot program have had the opportunity to acquire such capacity through the assignment process may be posted on Columbia's Electronic Bulletin Board ("EBB"). Washington Gas may accept bids or enter into pre-arranged deals that are subsequently posted on Columbia's EBB and become subject to bidding by other interested gas suppliers. The Capacity Equalization Charge will not apply to capacity acquired in this manner. WGES may negotiate with the Company to acquire upstream pipeline capacity in this manner. All capacity release transactions with WGES and other gas suppliers participating in the pilot program will be pursuant to, and in accordance with, FERC regulations.

Washington Gas also plans to make billing services available to WGES and all other gas suppliers that participate in the program. WGES and any other suppliers that wish to obtain the Company's billing services will be afforded those services under the same terms and conditions.

Washington Gas states that all services offered to WGES will be offered to all other suppliers participating in the program under the same terms and conditions. Where applicable, charges for all services provided to participants in the program, including WGES, will be in accordance with rates specified in Washington Gas' tariff on file with the Commission. Charges for billing services will be as set forth in the Billing Agreement. All suppliers participating in the program, including WGES, will pay the same rate for such services. Charges for the Company's upstream pipeline capacity will be determined pursuant to, and in accordance with, FERC's regulations applicable to pipeline capacity release.

Staff filed its report in this case on April 28, 1998. In its report, Staff recommended that, in the event the Commission grants approval for WGES to participate in the pilot program in Case No. PUE971024, such approval of the affiliate's participation should be conditioned as follows. Participation should be under the same terms and conditions as provided for other suppliers. Rates charged to WGES should be either based on tariffs on file with the Commission or pursuant to FERC regulations. Billing services should also be tariffed to ensure that all participants are charged the same rate. Washington Gas also should be required to track actual costs (fully distributed and incremental) of providing services and conduct a study to determine the market prices of services provided to be filed with the Commission.

Washington Gas filed Comments of Washington Gas Light Company ("Comments") on the Staff Report on July 1, 1998. In its Comments, Washington Gas requested that the Commission approve WGES' participation in the pilot delivery service program in accordance with Staff's recommendation, except as modified by the Commission's Final Order in Case No. PUE971024.

NOW THE COMMISSION, upon consideration of the application, representations of the Applicant, Staff's Report and the Comments thereto, is of the opinion and finds that approval of the transactions described herein subject to certain modifications would be in the public interest. Accordingly,

IT IS ORDERED THAT:

1) Pursuant to § 56-77 of the Code of Virginia, Washington Gas Light Company is hereby granted authority to provide services described herein to Washington Gas Energy Services in order to facilitate the participation by Washington Gas Energy Services in Washington Gas' experimental delivery service program subject to the limitations set forth in the Commission's Final Order in Case No. PUE971024.

2) Participation by WGES shall be under the same terms and conditions as provided for other suppliers.

3) Rates charged to WGES shall be either based on tariffs on file with the Commission or pursuant to FERC regulations. Billing services shall be tariffed to ensure that all participants are charged the same rate.

4) Washington Gas shall track actual costs (fully distributed and incremental) of providing services and conduct a study to determine the market prices of services provided to be filed with the Director of Public Utility Accounting of the Commission.

5) The Company shall include in all general rate proceedings and Annual Informational Filings evidence that the pricing policy stated herein has been followed.

6) The approval granted herein shall have no ratemaking implications.

7) The approval granted herein shall not preclude the Commission from exercising the provisions of §§ 56-78 and 56-80 of the Code of Virginia hereafter.

8) Should there be any changes in the terms and conditions of the services provided by Washington Gas to WGES from those contained herein, Commission approval shall be required for such changes.

9) The Commission reserves the authority to examine the books and records of any affiliate in connection with the authority granted herein whether or not such affiliate is regulated by the Commission, pursuant to § 56-79 of the Code of Virginia.

10) The Applicant shall file an Annual Report of Affiliate Transactions with the Director of Public Utility Accounting of the Commission by no later than May 1 of each year, for the preceding calendar year, beginning May 1, 1999, subject to extension by the Director of Public Utility

Accounting of the Commission. Information to be included in the Report is as follows: 1) affiliate's name; 2) description of each affiliate arrangement/agreement; 3) dates of each affiliate arrangement/agreement; 4) total dollar amount of each affiliate arrangement/agreement; 5) component costs of each arrangement/agreement where services are provided to an affiliate (i.e., direct/indirect labor, fringe benefits, travel/housing, materials, supplies, indirect miscellaneous expenses, equipment/facilities charges, and overhead); 6) profit component of each arrangement/agreement where services are provided to an affiliate and how such component is determined; 7) comparable market values and documentation related to each arrangement/agreement; 8) percent/dollar amount of each affiliate arrangement/agreement charged to expense and/or capital accounts; and 9) allocation bases/factors for allocated costs. The report shall include all agreements with affiliates regardless of amount involved and shall supersede all other affiliate reporting requirements previously ordered.

11) If Annual Informational and/or General Rate Case Filings are not based on a calendar year, then the Applicant shall include the affiliate information contained in the Annual Report of Affiliate Transactions in such filings.

12) There appearing nothing further to be done in this matter, the same be, and it hereby is, dismissed.

CASE NO. PUA980006
JULY 15, 1998

JOINT APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY
and
RAPPAHANNOCK ELECTRIC COOPERATIVE

For authority to sell and purchase facilities

ORDER GRANTING AUTHORITY

Rappahannock Electric Cooperative ("REC") and Virginia Electric and Power Company ("Virginia Power"), collectively referred to as Joint Applicants, have filed a joint application under the Utility Transfers Act requesting authority for the following transactions: (1) for REC to sell, and Virginia Power to purchase, a 115kV transmission line located in Orange and Spotsylvania Counties; and (2) for Virginia Power to sell, and REC to purchase, two 34.5 kV distribution lines located in Orange and Spotsylvania Counties.

REC proposes to transfer to Virginia Power approximately 17.55 miles of 115kVtransmission line running generally east and west between the REC Locust Grove Substation in Orange County and the REC Ni River Substation in Spotsylvania County. The selling price for the facilities is $4,552,500, to be paid at closing.

The Locust Grove-Ni River ("LGNR") line includes the 115kV circuit breaker and substation bus, related 115kV equipment in the REC Locust Grove Substation and 115kV strain bus, support structures and 115kV switches at the REC Todd's Tavern Substation in Spotsylvania County, which is adjacent to the LNGR line. The LNGR line does not include facilities within the REC Ni River Substation except the transmission line span, which terminates within the Ni River Substation. The LNGR line includes all pertinent hardware associated with the line as well as easements of right-of-way for the line and a portion of the Locust Grove Substation site and equipment and facilities located there. A bill of sale and assignment will convey these items.

After the conveyance, Virginia Power will own facilities within the Locust Grove site. A maintenance agreement outlining the rights and obligations of each utility at the substation is included with the filing. Because the LGNR line traverses properties solely within REC's service territory, the utilities agreed to negotiate in good faith with respect to the establishment of future delivery points from Virginia Power for REC service along the line.

Virginia Power proposes to sell to REC approximately 8.82 miles of distribution line between the Virginia Power Locust Grove Substation and REC Wilderness Substation and Delivery Point in Orange County, and approximately 5.34 miles of distribution line between the Virginia Power Locust Grove Substation and REC Paytes Substation and Delivery Point in Spotsylvania County. These two distribution lines run generally north and south from the area of Locust Grove. The selling price for these two facilities is $235,000 to be paid in full at closing. The sale of these lines includes hardware and facilities associated and attached as well as all easements of right-of-way for these lines. The sale does not include equipment or facilities located within the Virginia Power Locust Grove Substation or equipment or facilities located within the REC Wilderness Substation. Conveyance will be by assignment and bill of sale.

As described in the application and additional information provided by REC and Virginia Power, the proposed transfers are part of a long-range plan that has been developed by REC and Virginia Power for the improvement and expansion of transmission and distribution facilities in the Orange and Spotsylvania Counties area. REC and Virginia Power both have assigned service areas in those counties. REC and Virginia Power represent that the long-range plan provides for the sale of existing facilities by REC to Virginia Power, the sale of existing facilities by Virginia Power to REC, the construction of new transmission lines by Virginia Power, and the construction of new substations by REC. REC and Virginia Power represent that the joint undertaking will result in more reliable and efficient wholesale electric service by Virginia Power to REC and retail service to customers of REC in Orange and Spotsylvania Counties.

In the application, it is stated that the addition of the 115kV transmission line to the Virginia Power system, and construction of new lines connected with it, will enable Virginia Power to deliver electric power purchased by REC at wholesale more efficiently to the new substations to be constructed by REC. In addition, including the 115kV line in the Virginia Power transmission network will enable Virginia Power to operate its transmission system more efficiently in areas adjacent to Orange and Spotsylvania Counties.

As indicated in the application, the new substations to be built by REC, which will be served by the new Virginia Power transmission lines, will enable REC to provide more reliable and efficient service to its existing and future customers in the Orange and Spotsylvania Counties area. REC and Virginia Power represent that by purchasing two existing 34.5 kV distribution lines from Virginia Power, REC will be able to use those facilities no longer be needed by Virginia Power after the construction of the new Virginia Power 115kV transmission lines.

As described in the application, the proposed selling price of $4,552,500 was determined by negotiation considering reproduction cost new less depreciation. The selling price of $235,000 was determined by negotiation considering reproduction cost new less depreciation and salvage value and expense.

NOW THE COMMISSION, upon consideration of the application and representations of Joint Applicants and having been advised by its Staff, is of the opinion and finds that the proposed transfers will neither impair nor jeopardize the provision of adequate service to the public by REC and Virginia Power at just and reasonable rates and should, therefore, be approved. Accordingly,

IT IS ORDERED THAT:

1) Pursuant to §§ 56-89 and 56-90 of the Code of Virginia, Rappahannock Electric Cooperative is granted authority to sell, and Virginia Electric and Power Company to purchase a 115kV transmission line located in Orange and Spotsylvania Counties, Virginia, at price of $4,552,500 as described herein.

2) Pursuant to §§ 56-89 and 56-90 of the Code of Virginia, Virginia Electric and Power Company is granted authority to sell, and Rappahannock Electric Cooperative to purchase, two 34.5 kV distribution lines located in Orange and Spotsylvania Counties, Virginia, at a price of $235,000 as described herein.

3) The authority granted herein shall have no ratemaking implications.

4) On or before, September 30, 1998, Joint Applicants shall file with the Commission a report of the action taken pursuant to the authority granted herein, such report to include the date(s) of transfers, the selling prices, and the accounting entries reflecting the transactions.

5) This matter shall be continued generally subject to the continuing review, audit, and appropriate directive of the Commission.

CASE NO. PUA980007
APRIL 14, 1998

PETITION OF
HYPERION TELECOMMUNICATIONS OF VIRGINIA, INC.
and
HYPERION TELECOMMUNICATIONS OF CHARLOTTESVILLE, INC.

For approval to transfer assets

DISMISSAL ORDER

By letter dated April 9, 1998, counsel for Hyperion Telecommunications of Virginia, Inc., and Hyperion Telecommunications of Charlottesville, Inc., (collectively, "the Petitioners") request permission to withdraw the above-captioned petition. In support of their request, the Petitioners state that such action is appropriate due to the continued pendency of a corporate reorganization of one or both of the Petitioners. The Petitioners request that such dismissal be granted without prejudice and they reserve the right to refile.

NOW THE COMMISSION, having considered the matter, is of the opinion that it is appropriate to dismiss the above-referenced petition. We will treat the Petitioner's letter as a motion and grant their request to withdraw their petition under the conditions requested. Accordingly,

IT IS ORDERED THAT the above-captioned petition be, and hereby is, dismissed from the Commission's docket of active cases and the papers placed in the file for ended causes.

CASE NO. PUA980009
AUGUST 31, 1998

APPLICATION OF
PREFERRED CARRIER SERVICES OF VIRGINIA, INC.

For authority to transfer control of Preferred Carrier Services of Virginia, Inc.

ORDER GRANTING AUTHORITY

On March 5, 1998, Preferred Carrier Services of Virginia, Inc. ("PCSV") filed an application pursuant to the Utility Transfers Act. In the application, PCSV requests Commission approval to transfer control of PCSV from its current shareholder, Preferred Carrier Services, Inc. ("PCS") to Phones For All, Inc. ("PFA"). The application states that PCSV is a Virginia corporation authorized to provide local exchange service as a reseller in Virginia and will continue to operate as a telecommunications service provider in Virginia after the transfer of control. PFA is a Delaware corporation headquartered in Dallas, Texas, and is a provider of telecommunications marketing and customer service. Both PFA and PSCV are privately owned.

On October 30, 1997, PFA entered into a Purchase and Sale Agreement ("the Agreement") to acquire all of PCSV's outstanding shares of stock. PCSV currently has no customers in Virginia. PCSV expects that the change in ownership will help improve the quality of PCSV's service. With the transfer, PCSV will have access to PFA's expanded resources.

PCSV represents that the proposed transfer of control will serve the public interest. PCSV states that PFA's control of PCSV will enhance PCSV's ability to provide telecommunications services in Virginia. PCSV represents that it will benefit from the increased economies of scale, which will allow it to operate more efficiently. PCSV further represents that the consumers of Virginia will, in turn, benefit from the increased availability of telecommunications services at competitive rates.

An Order for Notice and Comments and Requests for Hearing was issued on March 30, 1998, and an Amended Order for Notice and Comments and Requests for Hearing was issued April 24, 1998. Staff filed its report on June 30, 1998, in which Staff recommended approval of the proposed transfer of control of PCSV to PFA. No parties filed comments.

NOW THE COMMISSION, upon consideration of the application and recommendation of Staff, is of the opinion that the proposed transfer of control of Preferred Carrier Services of Virginia, Inc., as described herein will neither impair nor jeopardize the provision of adequate service by PCSV to the public at just and reasonable rates; and should, therefore, be approved. Accordingly,

IT IS ORDERED THAT:

1) Pursuant to §§ 56-88.1 and 56-90 of the Code of Virginia, authority is hereby granted for the proposed transfer of control of Preferred Carrier Services of Virginia, Inc., from Preferred Carrier Services, Inc., to Phones for All, Inc., as described herein.

2) PCSV shall continue to be subject to the Commission's Rules for local exchange competition, including all reporting requirements therein.

3) There appearing nothing further to be done in this matter, it is hereby dismissed.

CASE NO. PUA980010
APRIL 8, 1998

JOINT APPLICATION OF
LCI INTERNATIONAL, INC.,
LCI INTERNATIONAL MANAGEMENT SERVICES, INC.,
LCI INTERNATIONAL TELECOM CORP.,
and
LCI INTERNATIONAL OF VIRGINIA, INC.

For authority to dispose of and to acquire utility assets and motion for expedited consideration

DISMISSAL ORDER

On March 6, 1998, LCI International, Inc. ("LCI"), LCI International Telecom Corp. ("LCI Telecom"), LCI International Management Services, Inc. ("LCIM"), and LCI International of Virginia, Inc. ("LCIV") (collectively, "the Applicants"), filed their Application in this matter pursuant to Chapter 5 of Title 56 of the Code of Virginia (1950), as amended, the Utility Transfers Act. The Application, which was supplemented by letter filed on or about March 27, 1998, requested, inter alia, authority to complete a series of financial transactions and internal mergers which will result in LCI International Telecom Corp., a non-certificated interexchange carrier in Virginia, becoming a direct wholly owned subsidiary of LCI International, Inc., a Delaware corporation. The Applicants further requested expedited treatment of their Application.

On April 3, 1998, Staff filed a Motion to Dismiss, indicating that the transactions contemplated by the Applicants do not require State Corporation Commission ("Commission") approval pursuant to § 56-88.1 of the Code of Virginia (1950), as amended.

On April 6, 1998, the Applicants filed a Response to Staff's Motion to Dismiss, indicating that the Applicants do not object to such a dismissal of their Application.

HAVING CONSIDERED the Staff's Motion, the Commission finds that the transactions contemplated by the Applicants do not require State Corporation Commission approval pursuant to § 56-88.1 of the Code of Virginia (1950), as amended, and therefore, the Staff's Motion should be granted. Accordingly,

IT IS THEREFORE ORDERED THAT the Application filed herein is hereby DISMISSED pursuant to the Motion of the Staff and that the papers filed herein shall be placed in the file for ended cases.

CASE NO. PUA980011
MAY 1, 1998

APPLICATION OF
APPALACHIAN POWER COMPANY

For consent to and approval of a modification to an existing inter-company agreement with an affiliate

ORDER GRANTING APPROVAL

Appalachian Power Company ("Appalachian", "Company") has filed an application with the Commission under the Public Utilities Affiliates Act for consent to, and approval of, a modification of an existing Inter-Company Power Agreement (the "Agreement") with Ohio Valley Electric Corporation ("OVEC") and other affiliated companies.

Company represents that OVEC is an Ohio corporation which was organized in 1952 primarily for the purpose of supplying electric energy to the United States Atomic Energy Commission ("the AEC") at its Portsmouth, Ohio, gaseous diffusion plant. The AEC was abolished on January 19, 1975, and certain of its functions, including the procurement of electric power for the facility, were transferred to, and vested in, the Administrator of the United States Energy Research and Development Administration ("ERDA"). On October 1, 1977, all of the functions of ERDA were transferred to the Secretary of the United States Department of Energy ("DOE").

Appalachian further states that OVEC subsequently entered into an Inter-Company Power Agreement dated July 10, 1953, with certain public utilities (referred to as "the Sponsoring Companies"), including, among others, Appalachian, Indiana Michigan Power Company ("Indiana Michigan"), Columbus Southern Power Company ("Columbus Southern"), and Ohio Power Company ("Ohio Power"). The Agreement governed, among other things, the obligations of the Sponsoring Companies to sell supplemental power to OVEC and the rights of the Sponsoring Companies to purchase surplus power from OVEC.

The Agreement has since been modified in 1966, 1967, 1975, 1979, 1981, 1992, 1994, and 1995. By Orders dated June 30, 1976 and March 13, 1980, in Case No. A-498, the Commission approved the Agreement and Modification Nos. 1, 2, 3, 4, and 5 and authorized Appalachian to continue such contractual arrangements. By Order dated September 29, 1981, in Case No. PUA810078, the Commission approved Modification No. 6 and again authorized Company to continue the contractual arrangements. By Order dated October 14, 1992, in Case No. PUA920026, the Commission approved Modification No. 7 and again authorized Company to continue such contractual arrangements. By Order dated November 2, 1994, in Case No. PUA940029, and by Order dated September 25, 1996, in Case No. PUA960024, the Commission approved Modification Nos. 8 and 9, respectively, and authorized Company to continue such arrangements.

The parties to the Agreement have entered into Modification No. 10, dated January 1, 1998, with an effective date of May 8, 1998. The parties are seeking appropriate approval from the Federal Energy Regulatory Commission ("FERC") and from all state regulatory agencies having jurisdiction in the matter. Appalachian requests Commission approval of Modification No. 10 and authority to continue the contractual arrangement.

As stated in the application, Modification No. 10 effects changes in the Agreement to enable OVEC to meet its obligations as a member of the East Central Area Reliability Council ("ECAR"), to comply with ECAR Document No. 2 ("Document No. 2"). Document No. 2 is entitled Daily Operating Reserves ("DOR") and requires OVEC, and every other control area within ECAR, to share responsibility for providing reserves sufficient to maintain the reliability of electric service. Under ECAR Document No. 2, OVEC is required to have available spinning reserve equal to a percentage (currently 3%) of its internal load as well as supplemental reserve also equal to a percentage (currently 3%) of its internal load.

Company further states that OVEC will satisfy its spinning reserve obligation by maintaining spinning reserve within its own control area. However, OVEC does not have any means to fulfill its obligation to provide supplemental reserve other than carrying additional spinning reserve, which is a relatively expensive means of compliance. OVEC's Sponsoring Companies have agreed to fulfill OVEC's obligation to provide supplemental reserve.

Modification No. 10 provides that, during an ECAR Reserve Sharing Period, OVEC will supply some or all of the energy available from its spinning reserve to an ECAR Member which is in need of emergency energy. The Sponsoring Companies will stand ready to receive such energy from OVEC for their own emergency use or for the use of another ECAR Member which is experiencing an emergency. In addition, each Sponsoring Company will stand ready to supply a specified portion of OVEC's supplemental reserve obligation.

In its application, Appalachian states that the rate at which OVEC will sell energy from its spinning reserve is 98.74 mills per kwh plus its hourly transmission charge pursuant to its open access transmission tariff. The sum of these two charges is 100 mills per kwh for emergency energy as authorized by established FERC precedent.

Appalachian further represents that the amount which each Sponsoring Company may charge for its share of OVEC's supplemental reserve shall be such Sponsoring Company's FERC filed emergency energy charge.

Company additionally represents that the remaining provisions of Modification No. 10 deal with proper allocation to specific emergency transactions. Such allocation of OVEC's fuel cost attributable to providing emergency energy from spinning reserves, will ensure that neither DOE, nor the Sponsoring Companies other than the one(s) purchasing ECAR energy from OVEC's spinning reserves, are charged for fuel used to generate such energy.

As of the date of filing, three (3) of the corporate directors of Appalachian are also directors of OVEC, seven (7) are directors of Columbus Southern, six (6) are directors of Indiana Michigan, and seven (7) are directors of Ohio Power. Accordingly, OVEC, Columbus Southern, Indiana Michigan, and Ohio Power are affiliated interests of Appalachian within the meaning of § 56-76 of the Code of Virginia.

Appalachian represents, in its application, that Modification No. 10 will not adversely affect the service of Appalachian to the public in Virginia, nor adversely affect the service of any other Virginia utility subject to the Commission's jurisdiction.

NOW THE COMMISSION, upon consideration of the application and representation of Company and having been advised by its Staff, is of the opinion and finds that the above-described Modification No. 10 to the Inter-Company Power Agreement and Company's continued participation in the contractual arrangements will be in the public interest and should be approved. Accordingly,

IT IS ORDERED THAT:

1) Pursuant to § 56-77 of the Code of Virginia, Appalachian Power Company is hereby granted approval of Modification No. 10 of the Inter-Company Power Agreement and approval to continue the contractual arrangements as described herein.

2) Any further modifications to the Agreement shall require Commission approval.

3) The approval granted herein shall have no ratemaking implications.

4) The approval granted herein shall not preclude the Commission from exercising the provisions of §§ 56-78 and 56-80 of the Code of Virginia hereafter.

5) The Commission reserves the authority to examine the books and records of any affiliate in connection with the approval granted herein whether or not such affiliate is regulated by the Commission pursuant to § 56-79 of the Code of Virginia.

6) Company shall continue to file an Annual Report of Affiliate Transactions with the Director of Public Utility Accounting of the Commission by no later than May 1 of each year, for the preceding calendar year, subject to extension by the Director of Public Utility Accounting of the Commission. Information to be included in the Report is as follows: 1) affiliate's name; 2) description of each affiliate arrangement/agreement; 3) dates of each affiliate arrangement/agreement; 4) total dollar amount of each affiliate arrangement/agreement; 5) component costs of each arrangement/agreement where services are provided to an affiliate (i.e., direct/indirect labor, fringe benefits, travel/housing, materials, supplies, indirect miscellaneous expenses, equipment/facilities charges, and overhead); 6) profit component of each arrangement/agreement where services are provided to an affiliate and how such component is determined; 7) comparable market values and documentation related to each arrangement/agreement; 8) percent/dollar amount of each affiliate arrangement/agreement charged to expense and/or capital accounts; and 9) allocation bases/factors for allocated costs. The report shall include all agreements with affiliates regardless of amount involved and shall supersede all other affiliate reporting requirements previously ordered.

7) If Annual Informational and/or General Rate Case Filings are not based on a calendar year, then Company shall include the affiliate information contained in the Annual Report of Affiliate Transactions in such filings.

8) There appearing nothing further to be done in this matter, the same be, and it hereby is, dismissed.

CASE NO. PUA980012
MAY 1, 1998

APPLICATION OF
POTOMAC EDISON COMPANY

For consent to and approval of a modification to an existing inter-company agreement with an affiliate

ORDER GRANTING APPROVAL

Potomac Edison Company ("Potomac Edison", "Company") has filed an application with the Commission under the Public Utilities Affiliates Act for consent to, and approval of, a modification of an existing Inter-Company Power Agreement (the "Agreement") with Ohio Valley Electric Corporation ("OVEC") and other affiliated companies.

Company represents that OVEC is an Ohio corporation which was organized in 1952 primarily for the purpose of supplying electric energy to the United States Atomic Energy Commission ("the AEC") at its Portsmouth, Ohio, gaseous diffusion plant. The AEC was abolished on January 19, 1975, and certain of its functions, including the procurement of electric power for the facility, were transferred to, and vested in, the Administrator of the United States Energy Research and Development Administration ("ERDA"). On October 1, 1977, all of the functions of ERDA were transferred to the Secretary of the United States Department of Energy ("DOE").

Potomac Edison further states that OVEC subsequently entered into an Inter-Company Power Agreement dated July 10, 1953, with certain public utilities (referred to as "the Sponsoring Companies"), including, among others, Potomac Edison, West Penn Power Company ("West Penn"), and Monongahela Power Company ("Monongahela"). The Agreement governed, among other things, the obligations of the Sponsoring Companies to sell supplemental power to OVEC and the rights of the Sponsoring Companies to purchase surplus power from OVEC.

The Agreement has since been modified in 1966, 1967, 1975, 1979, 1981, 1992, 1994, and 1995. By Orders dated June 30, 1976, and March 13, 1980, in Case No. A-497, the Commission approved the Agreement and Modification Nos. 1, 2, 3, 4, and 5 and authorized Potomac Edison to continue such contractual arrangements. By Order dated September 29, 1981, in Case No. PUA810078, the Commission approved Modification No. 6 and again authorized Company to continue the contractual arrangements. By Order dated October 14, 1992, in Case No. PUA920026, the Commission approved Modification No. 7 and again authorized Company to continue such contractual arrangements. By Order dated November 2, 1994, in Case No. PUA940030, and by Order dated October 8, 1996, in Case No. PUA960052, the Commission approved Modification Nos. 8 and 9, respectively, and authorized Company to continue such arrangements.

The parties to the Agreement have entered into Modification No. 10, dated January 1, 1998, with an effective date of May 8, 1998. The parties are seeking appropriate approval from the Federal Energy Regulatory Commission ("FERC") and from all state regulatory agencies having jurisdiction in the matter. Potomac Edison requests Commission approval of Modification No. 10 and authority to continue the contractual arrangement.

As stated in the application, Modification No. 10 effects changes in the Agreement to enable OVEC to meet its obligations as a member of the East Central Area Reliability Council ("ECAR"), to comply with ECAR Document No. 2 ("Document No. 2"). Document No. 2 is entitled Daily Operating Reserves ("DOR") and requires OVEC, and every other control area within ECAR, to share responsibility for providing reserves sufficient to maintain the reliability of electric service. Under ECAR Document No. 2, OVEC is required to have available spinning reserve equal to a percentage (currently 3%) of its internal load as well as supplemental reserve also equal to a percentage (currently 3%) of its internal load.

Company further states that OVEC will satisfy its spinning reserve obligation by maintaining spinning reserve within its own control area. However, OVEC does not have any means to fulfill its obligation to provide supplemental reserve other than carrying additional spinning reserve, which is a relatively expensive means of compliance. OVEC's Sponsoring Companies have agreed to fulfill OVEC's obligation to provide supplemental reserve.

Modification No. 10 provides that, during an ECAR Reserve Sharing Period, OVEC will supply some or all of the energy available from its spinning reserve to an ECAR Member which is in need of emergency energy. The Sponsoring Companies will stand ready to receive such energy from OVEC for their own emergency use or for the use of another ECAR Member which is experiencing an emergency. In addition, each Sponsoring Company will stand ready to supply a specified portion of OVEC's supplemental reserve obligation.

In its application, Potomac Edison states that the rate at which OVEC will sell energy from its spinning reserve is 98.74 mills per kwh plus its hourly transmission charge pursuant to its open access transmission tariff. The sum of these two charges is 100 mills per kwh for emergency energy as authorized by established FERC precedent.

Potomac Edison further represents that the amount which each Sponsoring Company may charge for its share of OVEC's supplemental reserve shall be such Sponsoring Company's FERC filed emergency energy charge.

Company additionally represents that the remaining provisions of Modification No. 10 deal with proper allocation to specific emergency transactions. Such allocation of OVEC's fuel cost attributable to providing emergency energy from spinning reserves will ensure that neither DOE, nor the Sponsoring Companies other than the one(s) purchasing ECAR energy from OVEC's spinning reserves, are charged for fuel used to generate such energy.

As of the date of filing, two (2) of the corporate directors of Potomac Edison are also directors of OVEC, and Potomac Edison has eleven (11) directors in common with West Penn and Monongahela. Accordingly, OVEC, West Penn, and Monongahela are affiliated interests of Potomac Edison within the meaning of § 56-76 of the Code of Virginia.

Potomac Edison represents, in its application, that Modification No. 10 will not adversely affect the service of Potomac Edison to the public in Virginia, nor adversely affect the service of any other Virginia utility subject to the Commission's jurisdiction.

NOW THE COMMISSION, upon consideration of the application and representation of Company and having been advised by its Staff, is of the opinion and finds that the above-described Modification No. 10 to the Inter-Company Power Agreement and Company's continued participation in the contractual arrangements will be in the public interest and should be approved. Accordingly,

IT IS ORDERED THAT:

1) Pursuant to § 56-77 of the Code of Virginia, Potomac Edison Company is hereby granted approval of Modification No. 10 of the Inter-Company Power Agreement and approval to continue the contractual arrangements as described herein.

2) Any further modifications to the Agreement shall require Commission approval.

3) The approval granted herein shall have no ratemaking implications.

4) The approval granted herein shall not preclude the Commission from exercising the provisions of §§ 56-78 and 56-80 of the Code of Virginia hereafter.

5) The Commission reserves the authority to examine the books and records of any affiliate in connection with the approval granted herein whether or not such affiliate is regulated by the Commission pursuant to § 56-79 of the Code of Virginia.

6) Company shall continue to file an Annual Report of Affiliate Transactions with the Director of Public Utility Accounting of the Commission by no later than May 1 of each year, for the preceding calendar year, subject to extension by the Director of Public Utility Accounting of the Commission. Information to be included in the Report is as follows: 1) affiliate's name; 2) description of each affiliate arrangement/agreement; 3) dates of each affiliate arrangement/agreement; 4) total dollar amount of each affiliate arrangement/agreement; 5) component costs of each arrangement/agreement where services are provided to an affiliate (i.e., direct/indirect labor, fringe benefits, travel/housing, materials, supplies, indirect miscellaneous expenses, equipment/facilities charges, and overhead); 6) profit component of each arrangement/agreement where services are provided to an affiliate and how such component is determined; 7) comparable market values and documentation related to each arrangement/agreement; 8) percent/dollar amount of each affiliate arrangement/agreement charged to expense and/or capital accounts; and 9) allocation bases/factors for allocated costs. The report shall include all agreements with affiliates regardless of amount involved and shall supersede all other affiliate reporting requirements previously ordered.

7) If Annual Informational and/or General Rate Case Filings are not based on a calendar year, then Company shall include the affiliate information contained in the Annual Report of Affiliate Transactions in such filings.

8) There appearing nothing further to be done in this matter, the same be, and it hereby is, dismissed.

CASE NO. PUA980013
MAY 27, 1998

APPLICATION OF
QWEST COMMUNICATIONS INTERNATIONAL, INC.,
LCI INTERNATIONAL, INC.,
LCI INTERNATIONAL TELECOM CORP.,
LCI INTERNATIONAL OF VIRGINIA, INC.,
and
USLD COMMUNICATIONS, INC.

For approval of a transfer of control and motion for expedited consideration

ORDER GRANTING APPROVAL

On March 31, 1998, Qwest Communications International, Inc. ("Qwest"), LCI International, Inc. ("LCII"), LCI International Telecom Corp. ("LCIT"), LCI International of Virginia, Inc. ("LCIV")[1], and USLD Communications, Inc. (USLDI") (collectively, referred to as "Applicants"), filed an application pursuant to Chapter 5 of Title 56 of the Code of Virginia. LCII, LCIT, LCIV, and USLDI are collectively referenced as "LCI." In the application, Applicants request authority to transfer control of LCIT, LCIV, and USLDI from the current shareholders of LCII to Qwest[2]. Applicants request expedited treatment of the application.

As stated in the application, Qwest is a Delaware corporation headquartered in Denver, Colorado. Qwest is publicly traded on the NASDAQ. Its indirect wholly owned subsidiary, Qwest Communications Corporation ("QCC"), provides multimedia communications services to interexchange carriers and other communications entities, businesses, and consumers using its own facilities as well as facilities leased from other carriers. QCC also constructs and installs fiber optic communications systems for other communications companies.

LCII is a Delaware corporation headquartered in McLean, Virginia, and publicly traded on the New York Stock Exchange. LCII's primary operating subsidiary, LCIT, is the sixth largest interexchange telecommunications company in the nation based on presubscribed lines. LCIT provides local and worldwide long distance voice and data transmission services to businesses, residential customers, and other carriers over its own nationwide network of digital fiber optic facilities, transmission facilities leased from other carriers, and resold telecommunications services. LCIT has been providing interexchange telecommunications services on a resale basis in Virginia since September 1, 1991. LCIT is authorized by the Federal Communications Commission ("the FCC") to provide interstate and international telecommunications services. LCIV is an indirect, wholly owned subsidiary of LCIT and was granted authority by the Commission to provide local exchange service on April 25, 1997.

As further described in the application, USLDI is a Texas corporation and an indirect, wholly owned subsidiary of LCII that was acquired by LCII in December 1997. USLDI also provides interexchange telecommunications services on a resale basis and operator services in Virginia. USLDI also is authorized by the FCC to provide interstate and international telecommunications services.

As stated in the application, Qwest and LCII have entered into a definitive Agreement and Plan of Merger ("the Merger Agreement") pursuant to which Qwest will acquire LCII by purchasing all of LCII's outstanding shares from its current shareholders. Since LCIT, LCIV, and USLDI are wholly owned by LCII, the acquisition of LCII by Qwest will result in a transfer of ultimate control of LCIT, LCIV, and USLDI to Qwest. The transfer will be accomplished by establishing a newly formed, special-purpose subsidiary of Qwest, Qwest 1998-L Acquisition Corporation ("Qwest Sub"). Qwest Sub will be merged with and into LCII. LCII will be the surviving entity of the merger. Pursuant to a series of internal stock transfer transactions to occur promptly following the effective date of the merger, LCII will become a direct, 100% wholly owned subsidiary of QCC.

Applicants represent that the boards of directors of Qwest and LCII have approved the Merger Agreement. However, the Merger Agreement remains subject to approval of the stockholders and regulatory agencies. Applicants further represent that until such time as the merger becomes effective, the customers of LCIT, LCIV, and USLDI will continue to be served and billed pursuant to these companies' tariffs and operating authorities. Following the merger, and for such time as Qwest may deem strategic, Applicants contemplate that LCIT, LCIV, and USLDI, as Qwest subsidiaries, will continue to serve and bill customers under the rates, terms, and conditions of their respective tariffs. Applicants further represent that the proposed transfer of control will be seamless and will have no adverse impact on the customers of LCIT, LCIV, and USLDI. Applicants state that the merger will provide LCI access to Qwest's capital, fiber optic network, economies of scale, and various service offerings that will enable LCI to improve its services to both existing and new customers.

Applicants represent that the proposed transfer of control is in the public interest. Applicants further represent that the addition of LCI to the Qwest family of companies will enhance the ability of LCI and Qwest to compete in the market for telecommunications services in Virginia. As stated by Applicants, LCI will be able to provide service to its customers more efficiently since it will use Qwest's nationwide state-of-the-art fiber network to carry its traffic. It is further stated that Qwest will make more efficient use of its network since LCI's sizeable customer base generates considerable traffic volumes. Applicants represent that both companies will benefit from increased economies of scale that will permit them to operate more efficiently and to compete against other carriers. Applicants further represent that, over time, customers in Virginia will benefit from the availability of increased local and long distance telecommunications products and service options.

An Order for Notice and Comments and Request for Hearing was issued on April 10, 1998, directing Applicants to provide notice of their application and providing interested persons with an opportunity to file comments or requests for hearing on or before May 11, 1998. That Order also directed the Commission's Staff to file a report detailing the results of its review of the application. Applicants filed proof of notice on May 11, 1998, and Staff filed its report on May 15, 1998.

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[1] LCIV is certificated to provide local exchange service in Virginia.

[2] LCIT & USLDI do not own telecommunications facilities in Virginia.

In its report, Staff recommended only approval of the transfer of control of LCIV to Qwest. Staff noted that, based on information provided by Applicants in letters dated May 11, 1998, and May 13, 1998, it appeared neither LCIT nor USLDI owned telecommunications facilities in Virginia.

There were no comments or requests for hearing filed in this proceeding.

NOW THE COMMISSION, upon consideration of the application and Staff's Report, is of the opinion that the application should be approved, as modified herein. We will grant approval only for the transfer of control of LCIV to Qwest. We are of the opinion that the proposed transfer of control of LCIV would neither impair not jeopardize the provision of adequate service by LCIV to the public at just and reasonable rates. Accordingly,

IT IS ORDERED THAT:

1) Pursuant to §§ 56-88.1 and 56-90 of the Code of Virginia, approval is hereby granted for the proposed Agreement and Plan of Merger as it relates to the transfer of control of LCIV to Qwest.

2) There appearing nothing further to be done in this matter, it is hereby dismissed.

CASE NO. PUA980014
JUNE 26, 1998

JOINT APPLICATION OF
GTE SOUTH INCORPORATED, GTE INTERNATIONAL INCORPORATED,
and
GTE COMMUNICATION SYSTEMS CORPORATION

For approval of an affiliate agreement

ORDER GRANTING APPROVAL

GTE South Incorporated ("GTE South", "the Company", "the Applicant") is a Virginia corporation authorized to do business in Alabama, Illinois, Kentucky, North Carolina, South Carolina, and Virginia. GTE South provides local exchange, access and intraLATA toll service within its certificated service areas in Virginia. GTE South is a wholly-owned subsidiary of GTE Corporation.

GTE International Incorporated ("GTE International") is a Delaware corporation. GTE International, a holding company, is a wholly-owned subsidiary of GTE Products of Connecticut Corporation, which in turn, is a wholly-owned subsidiary of GTE Corporation and, as such, is an affiliate of GTE South.

GTE Communication Systems Corporation ("GTECSC") is a Delaware corporation. GTECSC is comprised of AG Communication Systems Corporation and GTE Supply, an operating division of GTECSC. GTE Supply provides procurement and distribution services. GTE Supply also provides associated products applicable to supplies utilized by various local telephone operating companies, including GTE Corporation's domestic telephone operating companies. GTECSC is a wholly-owned subsidiary of GTE Products of Connecticut Corporation, which in turn, is a wholly-owned subsidiary of GTE Corporation and, as such, is an affiliate of GTE South.

In this joint application, GTE South, GTECSC, and GTE International (collectively, referred to as "the Applicants") seek Commission approval of an affiliate agreement. The agreement is referred to as the General Agreement ("the Agreement") and is between GTE International and GTE Supply for the benefit of itself and other affiliated entities, including GTE South.

As stated in the application, the General Agreement was executed to make available to the participating GTE entities, including GTE South, certain operational cost reductions for the services identified in the Agreement. Services include remittance processing and GTE National Customer Contact Support Center work activities that directly support customer contact centers and business service centers' operations. The Agreement was subjected to competitive bidding by GTE's contract management department, and GTE International was the successful bidder. The pricing outlined in the Agreement was subjected to certain pricing tests as required by the Federal Communications Commission ("FCC") in CC Docket No. 96-150. The Applicants state that the Agreement shall become effective in Virginia when approved by the Commission and shall continue until January 31, 2002.

The Applicants represent that the Agreement will not result in GTE South providing any subsidy to GTE International or GTE Supply or any other non-regulated entity nor will the Company be exposing itself to any unnecessary business risk. The Applicants further represent that the proposed Agreement will be beneficial to Virginia ratepayers. According to the Applicants, the Agreement should afford the Company access to quality services at competitive rates which should improve the Company's operational efficiencies, thereby lowering the Company's overall cost of doing business, which benefits the public interest.

NOW THE COMMISSION, upon consideration of the application and representation of the Applicants and having been advised by its Staff, is of the opinion and finds that the above-described General Agreement is in the public interest and should be approved subject to the pricing policy as outlined in the Commission's Order dated August 7, 1997, in Case No. PUC950019. To ensure that the Agreement continues to be in the public interest, GTE South should obtain services at the lower of market or cost, plus a reasonable return. The Company should maintain evidence of this pricing policy to be available for Commission Staff review as needed. GTE South should include evidence or documentation in its Annual Report of Affiliate Transactions of any unsuccessful attempts to acquire market price. The determination of market price should be an ongoing process using methods such as competitive bids, appraisals, catalog listings, replacement cost of assets and sales to third parties. Accordingly,

IT IS ORDERED THAT:

1) Pursuant to § 56-77 of the Code of Virginia, the Applicants are hereby granted approval of the General Agreement under the terms and conditions and for the purposes as described herein subject to the following pricing policy. Where it is most economical for the utility to purchase the product or service from the market, it shall do so, and where it can save money by purchasing from an affiliate at the affiliate's cost, including a reasonable return for the affiliate on the transaction, it shall do that. Where the Company proposes that the Commission set rates based on charges from an affiliate, the charges must be based on the affiliate's cost, including a reasonable return, so long as this cost does not exceed the market price.

2) The approval granted herein shall expire on January 31, 2002, and any extensions of the General Agreement shall require subsequent Commission approval.

3) The Company shall include in all general rate proceedings and Annual Informational Filings evidence that the pricing policy stated herein has been followed.

4) The approval granted herein shall in no way be deemed to include the recovery of any costs or charges in connection with the approval granted herein for ratemaking purposes.

5) The approval granted herein shall not preclude the Commission from exercising the provisions of §§ 56-78 and 56-80 of the Code of Virginia hereafter.

6) Should there be any changes in the terms and conditions of the General Agreement from those contained herein, Commission approval shall be required for such changes.

7) The Commission reserves the authority to examine the books and records of any affiliate in connection with the approval granted herein whether or not such affiliate is regulated by the Commission pursuant to § 56-79 of the Code of Virginia.

8) The Applicant shall continue to file an Annual Report of Affiliate Transactions with the Director of Public Utility Accounting of the Commission by no later than May 1 of each year, for the preceding calendar year, subject to extension by the Director of Public Utility Accounting of the Commission. Information to be included in the Report is as follows: 1) affiliate's name; 2) description of each affiliate arrangement/agreement; 3) dates of each affiliate arrangement/agreement; 4) total dollar amount of each affiliate arrangement/agreement; 5) component costs of each arrangement/agreement where services are provided to an affiliate (i.e., direct/indirect labor, fringe benefits, travel/housing, materials, supplies, indirect miscellaneous expenses, equipment/facilities charges, and overhead); 6) profit component of each arrangement/agreement where services are provided to an affiliate and how such component is determined; 7) comparable market values and documentation related to each arrangement/agreement; 8) percent/dollar amount of each affiliate arrangement/agreement charged to expense and/or capital accounts; and 9) allocation bases/factors for allocated costs. The report shall include all agreements with affiliates regardless of amount involved and shall supersede all other affiliate reporting requirements previously ordered.

9) If Annual Informational and/or General Rate Case Filings are not based on a calendar year, then the Applicant shall include the affiliate information contained in the Annual Report of Affiliate Transactions in such filings.

10) There appearing nothing further to be done in this matter, the same be, and it hereby is, dismissed.

CASE NO. PUA980015
AUGUST 7, 1998

APPLICATION OF
WASHINGTON GAS LIGHT COMPANY

For authority to engage in certain affiliate transactions

ORDER GRANTING AUTHORITY

On April 7, 1998, Washington Gas Light Company ("WGL," "the Company," "the Applicant") filed an application with the Commission under the Public Utilities Affiliates Act in which it proposes to execute Service Agreements with two affiliates, American Combustion, Inc., and American Combustion Industries, Inc., (jointly referred to as "ACI") substantively identical to those Service Agreements approved by the Commission in Case No. PUA880021 and PUA970019, and to engage in affiliate transactions under the service agreements with the two affiliates.

As stated in the application, on March 25, 1998, WGL, through a wholly owned subsidiary, acquired all of the outstanding stock of American Combustion, Inc., and American Combustion Industries, Inc. American Combustion, Inc., is a Virginia corporation, and American Combustion Industries, Inc., is incorporated in Maryland. Though they are two individual corporations, they are operated as a single entity. As described in the application, ACI is a mechanical contracting business engaged primarily in the installation and maintenance of boilers and chillers for commercial and governmental customers. ACI expects to continue in the mechanical business. However, it is anticipated that ACI will, from time to time, want or need to use services provided by WGL.

As indicated by WGL, the proposed Service Agreements provide for the purchase, sale, lease, or exchange of certain property and services between the subsidiaries, American Combustion, Inc., and American Combustion Industries, Inc., and WGL. Services available to ACI under the Service Agreements include accounting, financial, and statistical services; auditing and internal audit services; budget services; corporate and legal services; engineering, operations, and planning services; human resources services; information systems services; gas dispatching services; marketing and advertising services; insurance services, methods services; officers; rate services; tax services; and miscellaneous services. Under the Service Agreements, services and sales arrangements can be provided by Washington Gas Light to ACI and provided by ACI to Washington Gas Light. All goods and services will be provided at cost as identified in the Service Agreements. The description of services included in the Service Agreements is identical to the description

contained in the service agreements previously approved for WGL. The Company represents that adequate accounting controls are in place to prevent the subsidization of subsidiary activities by utility ratepayers.

THE COMMISSION, upon consideration of the application and representation of the Applicant and having been advised by its Staff, is of the opinion and finds that the above-described Service Agreements are in the public interest and should be approved, subject to the following modifications and condition. Approval should be subject to the pricing policy established for affiliate transactions and outlined in the Commission's Order dated August 8, 1997, in Case No. PUC960136, where services are not tariffed. Approval of the Service Agreements should only be for specific services as described in the Service Agreements and should not include the category of "Miscellaneous Services," since no services are currently anticipated in this category. Approval of the Service Agreements should be on condition that in Virginia, ACI will provide the proposed services only to WGL's gas customers. Concerning the transfer of equipment or goods, the authority granted herein should only be for assets being transferred at values of $100,000.00 or less. Pricing for such transfers should be based on the higher of cost, plus a reasonable return, or market. The approval granted herein does not constitute approval under Chapter 5, the Utility Transfers Act. Accordingly,

IT IS ORDERED THAT:

1) Pursuant to § 56-77 of the Code of Virginia, Washington Gas Light Company is hereby granted authority to enter into the Service Agreements with American Combustion, Inc., and American Combustion Industries, Inc., under the terms and conditions and for the purposes as described herein subject to the following modifications and condition. Where services are not tariffed, to ensure that the Service Agreements continue to be in the public interest, WGL shall price services provided to ACI at the greater of market or cost, plus a reasonable return. Any services received by WGL from ACI shall be received at the lower of market or cost, plus a reasonable return. WGL shall maintain evidence of this pricing policy to be available for Commission Staff review as needed. The approval of the Service Agreement shall be on condition that in Virginia, ACI shall provide such services only to WGL's gas customers.

2) Washington Gas Light Company shall include evidence or documentation in its Annual Report of Affiliate Transactions of any unsuccessful attempts to acquire market price. The determination of market price shall be an ongoing process using methods such as competitive bids, appraisals, catalog listings, replacement cost of assets, and sales to third parties.

3) The Company shall include in all general rate proceedings and Annual Informational Filings evidence that the pricing policy stated herein has been followed.

4) The approval granted herein shall have no ratemaking implications.

5) The approval granted herein shall not preclude the Commission from exercising the provisions of §§ 56-78 and 56-80 of the Code of Virginia hereafter.

6) Should there be any changes in the terms and conditions of the Service Agreements from those contained herein, Commission approval shall be required for such changes.

7) Prior Commission approval shall be required for any transfer of goods or equipment valued over $100,000.00.

8) The Commission reserves the authority to examine the books and records of any affiliate in connection with the authority granted herein whether or not such affiliate is regulated by the Commission, pursuant to § 56-79 of the Code of Virginia.

9) The Applicant shall file an Annual Report of Affiliate Transactions with the Director of Public Utility Accounting of the Commission by no later than May 1 of each year, for the preceding calendar year, beginning May 1, 1999, subject to extension by the Director of Public Utility Accounting of the Commission. Information to be included in the Report is as follows: 1) affiliate's name; 2) description of each affiliate arrangement/agreement; 3) dates of each affiliate arrangement/agreement; 4) total dollar amount of each affiliate arrangement/agreement; 5) component costs of each arrangement/agreement where services are provided to an affiliate (i.e., direct/indirect labor, fringe benefits, travel/housing, materials, supplies, indirect miscellaneous expenses, equipment/facilities charges, and overhead); 6) profit component of each arrangement/agreement where services are provided to an affiliate and how such component is determined; 7) comparable market values and documentation related to each arrangement/agreement; 8) percent/dollar amount of each affiliate arrangement/agreement charged to expense and/or capital accounts; and 9) allocation bases/factors for allocated costs. The report shall include all agreements with affiliates regardless of amount involved and shall supersede all other affiliate reporting requirements previously ordered.

10) If Annual Informational and/or General Rate Case Filings are not based on a calendar year, then the Applicant shall include the affiliate information contained in the Annual Report of Affiliate Transactions in such filings.

11) There appearing nothing further to be done in this matter, the same be, and it hereby is, dismissed.

CASE NO. PUA980015
AUGUST 24, 1998

APPLICATION OF
WASHINGTON GAS LIGHT COMPANY

For authority to engage in certain affiliate transactions

ORDER GRANTING RECONSIDERATION

On August 17, 1998, counsel for Washington Gas Light Company ("WGL" or "the Company") filed a petition requesting reconsideration of the Commission's Order Granting Authority entered on August 7, 1998, in the above captioned proceeding. WGL specifically requests reconsideration of the

requirement that approval of the proposed Service Agreements with its two subsidiary affiliates, American Combustion Inc, and American Combustion Industries, Inc. (collectively, "ACI"), be conditioned on ACI providing services only to WGL's gas customers.

NOW THE COMMISSION, having considered the matter, is of the opinion and finds that WGL's petition for reconsideration should be granted.

Accordingly, IT IS ORDERED that:

(1) Washington Gas Light Company's petition for reconsideration be, and hereby is, granted; and

(2) This matter is continued for further orders of the Commission.

CASE NO. PUA980015
SEPTEMBER 15, 1998

APPLICATION OF
WASHINGTON GAS LIGHT COMPANY

For authority to engage in certain affiliate transactions

ORDER ON RECONSIDERATION

The Commission entered an Order Granting Authority on August 7, 1998, permitting Washington Gas Light Company ("WGL" or "Company") to engage in affiliate transactions with its subsidiaries, American Combustion, Inc., and American Combustion Industries, Inc. (collectively "ACI"), but subject to certain limitations. On August 17, 1998, WGL petitioned the Commission to reconsider the limitation that ACI services, in Virginia, be supplied only to WGL's gas customers.

The Commission granted the petition by order dated August 24, 1998, and now having considered the petition hereby denies the relief sought by WGL.

The Company argued that the Order Granting Authority was "arbitrary, capricious, and unreasonable, contrary to law, to the public interest and to the best interests of Virginia ratepayers," because of certain restrictions imposed on the Company and its affiliate in that Order. Petition at 2. To the contrary, the limitations placed on the activities of WGL and its affiliates are mandated by the requirements of the Code of Virginia.

Section 13.1-620 of the Code places limitations on the activities of corporations engaging in "special kinds of business" in Virginia. Subsection D restricts the activities of public service corporations such as WGL:

> No corporation organized under this chapter to conduct the business of a public service company shall have general business powers in this Commonwealth. Corporations . . . may, however, conduct in this Commonwealth other public service business or nonpublic service business so far as may be related or incidental to its stated business as a public service company and in any other state such business as may be authorized or permitted by the laws thereof.

This provision represents a public policy determination by the General Assembly of Virginia that public service companies should not be permitted to engage in unrelated activities in Virginia.

WGL's stated business as a public service company in Virginia is the sale and distribution of natural gas within a certificated service territory. Per the Code, it may not undertake any other public service business or nonpublic service business except as may be related or incidental to its natural gas service business.

The Company argues that while the restrictions of § 13.1-620 D apply to WGL, they do not apply to its subsidiaries. The Company also argues that the Commission's Order Granting Authority was arbitrary and capricious because the Commission had previously permitted Commonwealth Gas Services, Inc. ("Commonwealth Gas"),[1] to engage in affiliate transactions with a sister affiliate, whose activities the Commission did not restrict.

Both of these arguments fail. First, it is axiomatic that what the law prohibits the Company from doing directly, it also prevents it from doing indirectly, through a subsidiary, as the Company proposed in this case. We have so held before. See, for example, Application of Lynchburg Gas Company and Lynco Development Corporation, 1976 S. C. C. Ann. Rep. 24; Application of Roanoke Gas Company, 1976 S.C.C. Ann. Rep. 26. In both of these cases, the corporate structures and relationships were similar to those presented here, and the Commission held that activities that a utility could not perform, as not incidental or related to its public service business, could not be performed by its wholly-owned affiliate.

Second, the case[2] cited by WGL to suggest that the Commission's order herein is arbitrary and capricious is readily distinguishable from the facts presented here. There, the public service company, Commonwealth Gas, was not proposing to provide directly, or indirectly through a wholly-owned subsidiary, nonpublic service to anyone. Commonwealth Gas' sister affiliate, Columbia Service Partners, Inc. ("Service Partners"), was neither a public service company, as is WGL, nor owned by a public service company, as is ACI. While both Commonwealth Gas and Service Partners share a common corporate owner, The Columbia Gas System, Inc., Commonwealth Gas has no ownership interest in Service Partners. Since Service Partners is not a public

[1] Commonwealth Gas Services is now called Columbia Gas of Virginia, Inc.

[2] Application of Commonwealth Gas Services, Inc. and Columbia Services Partners, Inc., Case No. PUA970014.

service company, nor a subsidiary of a public service company, the statutory limitations on the activities of public service companies, contained in § 13.1-620 D, simply never come into play.

WGL also argues that even if the requirements of § 13.1-620 apply, the activities of ACI must be allowed throughout the Commonwealth, because they are incidental or related to WGL's stated business as a public service company.

In the application and in response to discovery by the Staff, the Company indicated that ACI would perform such services as the installation of gas-fired chillers and boilers and the conversion of oil-fired heating systems to gas, which are related to WGL's gas service. It also disclosed that ACI performed other functions in connection with these service conversions, including the removal of oil tanks and environmental remediation, that are, in our view, related or incidental to WGL's public service business only insofar as performed for WGL's customers or potential customers.

WGL is not in, and can not enter, the general tank removal and environmental remediation business, and so ACI could not, for example, remove and restore petroleum tanks from a service station, because that would not be incidental or related to WGL's business. Based on the record before us, we limited ACI's activities to performance of service for those who are, or who will because of ACI's services become, WGL's customers. In our view, the Code requires this limitation.

Finally, WGL should note that the limitations of § 13.1-620 D apply only to restrict the activities of ACI in Virginia and that ACI may operate in any capacity in any other state as legally permitted in that state.

Accordingly, IT IS ORDERED that the relief sought in the Petition for Reconsideration of Commission Order Granting Authority be, and hereby is, denied.

CASE NO. PUA980019
AUGUST 18, 1998

APPLICATION OF
CENTRAL VIRGINIA ELECTRIC COOPERATIVE

For approval of transactions with affiliate

ORDER GRANTING APPROVAL

Central Virginia Electric Cooperative ("CVEC," the "Company," the "Applicant") has filed an application with the Commission under the Public Utilities Affiliates Act requesting approval of transactions with an affiliate, Central Virginia Services, Inc. ("CVSI," the "Affiliate"). In its application, CVEC states that CVSI is a Virginia corporation. The Company states that Articles of Amendment filed contemporaneously with this application will establish CVSI's purpose to engage in the conduct of any business not prohibited by law.

As stated in the application, CVSI intends to issue stock to CVEC to make it the sole shareholder of CVSI. Two of CVSI's directors are also directors of CVEC. CVEC states that its desire to stabilize its retail electric rates by developing opportunities to offset rising costs with revenues from sources other than its members' meters led to the decision to form CVSI as a wholly-owned subsidiary of the Company.

As indicated in the application, CVEC and the Affiliate request Commission approval of a management services agreement ("the Management Services Contract") under which the Company will provide management and related services to CVSI at the higher of the Company's cost or market prices. CVEC proposes to provide CVSI with management services during the initial operational period of CVSI. Such services will only be provided as long as and to the extent that the Company's personnel have excess productivity capacity, and the Affiliate cannot obtain such services more economically elsewhere.

Pursuant to the Management Services Contract between CVEC and CVSI, CVEC will provide certain services to CVSI including accounting, financial management, administrative, and other services. CVSI will pay the Company for all work performed at rates based on the Company's determination of the market value of such work, or its calculation of the cost, including overheads, of performing such work, whichever is greater. Should the services provided require CVEC to perform the services outside of Central Virginia, CVSI will reimburse CVEC for all reasonable and necessary travel expenses including, but not limited to, meals, lodging, and transportation. CVSI will only avail itself of CVEC's services while it is economical to do so. CVEC is not requesting approval to obtain any services from the Affiliate.

THE COMMISSION, upon consideration of the application and representations of the Applicant, and having been advised by its Staff, is of the opinion and finds that the above-described affiliate transactions would be in the public interest and should be approved. Accordingly,

IT IS ORDERED THAT:

1) Pursuant to § 56-77 of the Code of Virginia, Central Virginia Electric Cooperative is hereby granted approval for the Management Services Contract with its affiliate, Central Virginia Services, Inc., under the terms and conditions and for the purposes as described herein as long as services are priced at the higher of CVEC's fully distributed cost or the market price for such services.

2) Should any of the terms and conditions of the Management Services Contract approved herein change from those contained herein, Commission approval shall be obtained.

3) Actual overhead rates calculated by CVEC and provided in a schedule to CVSI shall be filed with the Director of Public Utility Accounting within thirty days of providing the schedule to CVSI.

4) The Applicant shall file with the Director of Public Utility Accounting a copy of the system of accounts established for CVSI within thirty days of establishing the system of accounts.

5) The approval granted herein shall not preclude the Commission from exercising the provisions of §§ 56-78 and 56-80 of the Code of Virginia hereafter.

6) The approval granted herein shall have no ratemaking implications.

7) The Commission reserves the authority to examine the books and records of any affiliate in connection with the approvals granted herein whether or not such affiliate is regulated by the Commission, pursuant to § 56-79 of the Code of Virginia.

8) The Applicant shall file an Annual Report of Affiliate Transactions with the Director of Public Utility Accounting of the Commission by no later than May 1 of each year beginning May 1, 1999, subject to extension by the Director of Public Utility Accounting, providing certain information on all affiliate transactions for the preceding calendar year. Information to be included is as follows: affiliate's name, description of each affiliate contract or arrangement, date(s) of each affiliate contract or arrangement, and total dollar amount of each contract or arrangement. The report shall include all agreements with affiliates regardless of the amount involved and shall supersede all other reporting requirements previously ordered for affiliate transactions. In the report, the Applicant shall include evidence or documentation of any unsuccessful attempts to obtain market price data for services provided.

9) There appearing nothing further to be done in this matter, the same be, and it hereby is, dismissed.

CASE NO. PUA980021
AUGUST 18, 1998

APPLICATION OF
MCI TELECOMMUNICATIONS CORPORATION

For approval of the acquisition of control of MCImetro Access Transmission Services of Virginia, Inc., by MCImetro Access Transmission Services LLC

ORDER GRANTING APPROVAL

On July 14, 1998, MCI Telecommunications Corporation ("MCIT," "the Applicant") filed an application with the Commission under the Utility Transfers Act requesting approval of the acquisition of control of MCImetro Access Transmission Services of Virginia, Inc., ("MCImetro-Va., Inc.") by MCImetro Access Transmission Services LLC ("MCImetro LLC"). As stated in the application, MCI Communications Corporation ("MCIC") is a corporation organized and existing under the laws of Delaware and engages in the telecommunications business throughout the United States and elsewhere through numerous subsidiaries, affiliates, and other business organizations.

MCI Telecommunications Corporation is a Delaware corporation and is wholly owned by MCIC. MCIT owns all of the voting stock of MCImetro, Inc. ("MCImetro"). MCImetro owns all of the voting stock of MCImetro Access Transmission Services, Inc. ("MCImetro ATS"), a Delaware corporation which, in turn, owns all of the voting stock of MCImetro-Va, Inc., a Virginia public service corporation. MCIT is the sole member of MCImetro LLC, a limited liability company formed May 21, 1998, under the laws of Delaware and qualified to do business in Virginia. MCImetro-Va., Inc., holds certificates of public convenience and necessity to provide intrastate interLATA and intraLATA interexchange telecommunications services and local exchange telecommunications services in Virginia.

MCIT proposes an organizational restructuring whereby (1) MCImetro is merged into its parent corporation, MCIT; and (2) MCImetro ATS, which is the sole shareholder of MCImetro-Va., Inc., is merged into MCImetro LLC. As a result, MCImetro LLC becomes the sole shareholder, and thus acquires control, of MCImetro-Va., Inc.

As indicated in the application, one purpose of the restructuring is to reduce significantly the administrative effort necessary to prepare MCImetro ATS separate legal entity financial statements. Another purpose, as stated in the application, is to position MCIT and its subsidiaries for more advantageous tax treatment under several states' laws. Currently, MCIT is unable to recognize fully certain tax benefits arising from losses experienced in its attempts to compete in the local telephone market. As stated in the application, the restructuring plan will allow MCIT to realize state income and franchise tax benefits not available under the present structure. It is further stated that the proposed restructuring will serve the public interest in Virginia and elsewhere by creating a stronger competitor in local telecommunications markets.

MCIT represents in the application that the proposed restructuring in which MCImetro LLC will acquire the control of MCImetro-Va., Inc., will neither impair nor jeopardize adequate service to the public at just and reasonable rates. The ultimate ownership of MCImetro-Va., Inc., by MCIT and MCIC remains unchanged following the proposed reorganization.

THE COMMISSION, upon consideration of the application and representations of the Applicant and having been advised by its Staff, is of the opinion and finds that the above-described transfer of control will neither impair nor jeopardize the provision of adequate service to the public at just and reasonable rates and should be approved. Accordingly,

IT IS ORDERED THAT:

1) Pursuant to §§ 56-88.1 and 56-90 of the Code of Virginia, approval is hereby granted for the acquisition of control of MCImetro Access Transmission Services of Virginia, Inc., by MCImetro Access Transmission Services LLC under the terms and conditions and for the purposes as described herein.

2) There appearing nothing further to be done in this matter, it hereby is dismissed.

CASE NO. PUA980022
OCTOBER 9, 1998

APPLICATION OF
ROANOKE GAS COMPANY

For approval of certain transactions with R & B Communications, Inc.

ORDER GRANTING APPROVAL

On August 10, 1998, Roanoke Gas Company ("Roanoke," "the Company," or "Applicant") filed an application with the Commission under the Public Utilities Affiliates Act, §§ 56-76 to –87 of the Code of Virginia, requesting approval of certain transactions with R & B Communications, Inc. ("R&B," or "Affiliate"). Roanoke is a public utility company engaged primarily in the retail distribution and sale of natural gas and propane to residential, commercial, and industrial customers in southwestern Virginia and southern West Virginia. R&B is a provider of competitive telecommunications, information, and entertainment services, and through R&B Telephone a provider of regulated telecommunications service in southwestern Virginia with over 10,000 access lines. John B. Williamson, III ("Mr. Williamson") and J. Allen Layman ("Mr. Layman") are directors of Roanoke. Mr. Williamson was elected as a director in 1998, and Mr. Layman has been a director of Roanoke since 1991. Mr. Layman also is director of R&B, and Mr. Williamson joined the R&B board in August 1998. Mr. Layman has been a director of R&B since 1980. Because R&B has two directors in common with Roanoke, it is an "affiliate" of Roanoke under § 56-76, of the Code of Virginia.

Accordingly, Roanoke requests approval under the Public Utilities Affiliates Act for certain transactions with R&B. Specifically, Roanoke requests approval for its communications services from R&B and its provision of natural gas service to R&B.

As stated in the application, Roanoke contracts for its communications services with R&B. Currently, Roanoke has seven business telephone lines and four data circuits with R&B. Roanoke also has paging services for sixty-four pagers, a 10-megabit high speed Internet service, local exchange telephone service for approximately eighty-five lines, and may elect to contract for additional services in the future as needs and communication technologies change. Roanoke represents that all communications services are used in connection with its utility operations.

As Roanoke indicates in its application, charges for all services provided to the Company by Affiliate, that are not tariffed, are competitive with those of unaffiliated communications companies. Roanoke recently completed a competitive bidding process for all of its communications needs and received bids from R&B as well as other nonaffiliated providers. R&B's services are provided to Roanoke either under tariffed rates or competitive bids. Services provided by competitive bids are paging and Internet. Services provided to Roanoke by R&B are provided on a month-to-month basis and may be canceled at will by either party.

Roanoke provides natural gas service to R&B at five locations. This service is provided under the terms and conditions and at the rates contained in its approved tariff.

THE COMMISSION, upon consideration of the application and representations of Applicant and having been advised by its Staff, is of the opinion and finds that the above-described affiliate transactions serve the public interest and should, therefore, be approved. Accordingly,

IT IS ORDERED THAT:

1) Pursuant to § 56-77 of the Code of Virginia, Roanoke Gas Company hereby is granted approval of the transactions with R & B Communications, Inc., to include R&B Telephone, as described herein, specifically Roanoke Gas Company's communications services from R&B and R&B's natural gas service from Roanoke Gas Company under the terms and conditions and for the purposes as described herein.

2) The approvals granted herein shall have no ratemaking implications.

3) The approvals granted herein shall not preclude the Commission from exercising the provisions of §§ 56-78 and 56-80 of the Code of Virginia hereafter.

4) Should there be any changes in the terms and conditions of the arrangements from those described herein, Commission approval shall be required for such changes.

5) The Commission reserves the authority to examine the books and records of any affiliate in connection with the approval granted herein whether or not such affiliate is regulated by the Commission, pursuant to § 56-79 of the Code of Virginia.

6) The Applicant shall file a report with the Director of Public Utility Accounting on or before April 1 of each year, the first of which shall be due on or before April 1, 1999, which report shall notify the Commission of all services provided to and by the Company and charges for such services for the preceding calendar year.

7) There appearing nothing further to be done in this matter, the same be, and it hereby is, dismissed.

CASE NO. PUA980026
OCTOBER 26, 1998

APPLICATION OF
GTE SOUTH INCORPORATED

For approval of amendments to affiliate agreements

ORDER GRANTING APPROVAL

GTE South Incorporated ("GTE South", "the Company", "Applicant") is a Virginia corporation authorized to do business in Alabama, Illinois, Kentucky, North Carolina, South Carolina, and Virginia. GTE South provides local exchange, access and intraLATA toll service within its certificated service areas in Virginia. The Company is a wholly-owned subsidiary of GTE Corporation.

GTE Leasing is a Delaware corporation. It provides financing services for business customers who purchase telecommunications equipment from GTE subsidiaries. It also provides various financial services to GTE affiliates, including GTE South, by bringing economic value to the affiliate through the provision of flexible financing alternatives and productivity savings.

GTE Service Corporation ("Service Corp.") is a New York corporation and is an administrative corporate headquarters organization providing certain technical, financial, and other advisory services for various GTE affiliated companies, including GTE South.

Like GTE South, both GTE Leasing and GTE Service Corporation are wholly-owned subsidiaries of GTE and, as such, are affiliates of GTE South.

As stated in the application, on August 24, 1990, GTE Service Corporation on its own behalf and on behalf of other affiliated entities, entered into a Vehicle Management and Lease Administration Agreement (the "Umbrella Agreement") with GTE Leasing and PHH Fleet America Corporation ("PHH"). PHH is one of the largest fleet lessors and management companies in the United States and is not affiliated with any GTE entity. The Umbrella Agreement established the prices, terms, and conditions for the acquisition and administration of vehicles ultimately to be leased by GTE Affiliated Entities ("Affiliates"), including GTE South.

Additionally, on August 24, 1990, GTE Leasing and GTE Service Corporation, on their own behalf and on behalf of other Affiliates, entered into a Vehicle Operation Lease Agreement (the "Operating Agreement"). The Operating Agreement established the specific terms under which vehicles were to be leased by individual Affiliates, including GTE South. The Umbrella Agreement and the Operating Agreement are collectively referred to as the "Agreements."

The Company states that by Order dated October 12, 1995, Case No. PUA950012, the Commission granted Virginia Affiliates Act approval of the Vehicle Management and Lease Administration Agreement and the Vehicle Operating Lease Agreement. Approval was granted retroactive to August 24, 1990. The Commission's Order, however, required Commission approval for any future changes in the terms and/or conditions of either of the Agreements. Furthermore, ordering paragraph 3 of the Order provided "...should Applicant desire to continue to operate under the Agreements beyond the time periods as specified in the Agreements, Commission approval shall be required for any renewals or extensions."

Applicant represents in its application that both the Umbrella Agreement and the Operating Agreement are the direct result of competitive negotiations. These competitive negotiations were based on the total volume of vehicle activity by all GTE business units, both regulated and non-regulated, conducted by Service Corp. with the major vehicle leasing companies in the United States, including GTE Leasing. Applicant further represents that the Agreements enable Affiliates, including GTE South, to obtain access to vehicle acquisition and leasing costs far lower than those that could be negotiated independently. These lower costs are due, in part, to vehicle manufacturers discounts, fleet management company discounts, and favorable funding rates that could not be achieved otherwise.

GTE South represents that in order to continue to enjoy these benefits, GTE Service Corporation, GTE Leasing, and PHH plan to enter into Amendment Number Four to the Umbrella Agreement (the "Umbrella Amendment") in order to extend its term through August 31, 2001. Additionally, the Umbrella Amendment will replace Exhibit A to the Umbrella Agreement with an updated list of GTE Affiliates and will revise Exhibit B to the Umbrella Agreement to reflect recent price reductions negotiated with PHH.

GTE South further represents that, similarly, GTE Leasing and GTE Service Corporation also expect to execute Amendment Number Four to the Operating Agreement (the "Operating Amendment"). Like the Umbrella Amendment, the purpose of the Operating Amendment is to extend the term through August 31, 2001, and to modify Exhibits B and E to reflect negotiated changes, resulting in reduced costs in the PHH pricing structure, and to update the GTE affiliates list. The Umbrella Amendment and the Operating Amendment are collectively referred to as "Amended Agreements" or "Amendments."

As indicated in the application, GTE South represents that the Commission approval of both Amendments will further the significant cost and service benefits enjoyed by GTE South in Virginia during the previous eight years. The Company states that these savings will be passed along to Virginia jurisdictional customers through a reduction in GTE's overall cost of doing business. Moreover, Applicant represents that neither of the Amendments will increase GTE South's exposure to unnecessary business risk, as under the terms of both Amended Agreements, Affiliates are not obligated to purchase or acquire vehicles through this arrangement.

NOW THE COMMISSION, upon consideration of the application and representation of Applicant and having been advised by its Staff, is of the opinion and finds that the above-described Amended Agreements are in the public interest and should be approved subject to the pricing policy as outlined in the Commission's Order dated August 7, 1997, in Case No. PUC950019. To ensure that the Amended Agreements continue to be in the public interest, GTE South should obtain services at the lower of market or cost, plus a reasonable return. The Company should maintain evidence of this pricing policy to be available for Commission Staff review as needed. GTE South should include evidence or documentation in its Annual Report of Affiliate Transactions of any unsuccessful attempts to acquire market price. The determination of market price should be an ongoing process using methods such as competitive bids, appraisals, catalog listings, replacement cost of assets and sales to third parties. Accordingly,

IT IS ORDERED THAT:

1) Pursuant to § 56-77 of the Code of Virginia, Applicant is hereby granted approval of Amendments under the terms and conditions and for the purposes as described herein subject to the following pricing policy. Where it is most economical for the utility to purchase the product or service from the market, it shall do so, and where it can save money by purchasing from an affiliate at the affiliate's cost, including a reasonable return for the affiliate on the transaction, it shall do that. Where the Company proposes that the Commission set rates based on charges from an affiliate, the charges must be based on the affiliate's cost, including a reasonable return, so long as this cost does not exceed the market price.

2) The approval granted herein shall expire on August 31, 2001, and any extensions of Amendments shall require subsequent Commission approval.

3) The Company shall include in all general rate proceedings and Annual Informational Filings evidence that the pricing policy stated herein has been followed.

4) The approval granted herein shall in no way be deemed to include the recovery of any costs or charges in connection with the approval granted herein for ratemaking purposes.

5) The approval granted herein shall not preclude the Commission from exercising the provisions of §§ 56-78 and 56-80 of the Code of Virginia hereafter.

6) Should there be any changes in the terms and conditions of Amendments from those contained herein, Commission approval shall be required for such changes.

7) The Commission reserves the authority to examine the books and records of any affiliate in connection with the approval granted herein whether or not such affiliate is regulated by the Commission pursuant to § 56-79 of the Code of Virginia.

8) Applicant shall continue to file an Annual Report of Affiliate Transactions with the Director of Public Utility Accounting of the Commission by no later than May 1 of each year, for the preceding calendar year, subject to extension by the Director of Public Utility Accounting of the Commission. Information to be included in the Report is as follows: 1) affiliate's name; 2) description of each affiliate arrangement/agreement; 3) dates of each affiliate arrangement/agreement; 4) total dollar amount of each affiliate arrangement/agreement; 5) component costs of each arrangement/agreement where services are provided to an affiliate (i.e., direct/indirect labor, fringe benefits, travel/housing, materials, supplies, indirect miscellaneous expenses, equipment/facilities charges, and overhead); 6) profit component of each arrangement/agreement where services are provided to an affiliate and how such component is determined; 7) comparable market values and documentation related to each arrangement/agreement; 8) percent/dollar amount of each affiliate arrangement/agreement charged to expense and/or capital accounts; and 9) allocation bases/factors for allocated costs. The report shall include all agreements with affiliates regardless of amount involved and shall supersede all other affiliate reporting requirements previously ordered.

9) If Annual Informational and/or General Rate Case Filings are not based on a calendar year, then Applicant shall include the affiliate information contained in the Annual Report of Affiliate Transactions in such filings.

10) There appearing nothing further to be done in this matter, the same be, and it hereby is, dismissed.

CASE NO. PUA980036
DECEMBER 23, 1998

APPLICATION OF
MECKLENBURG ELECTRIC COOPERATIVE

For approval of transactions with an affiliate

ORDER GRANTING APPROVAL

On October 30, 1998, Mecklenburg Electric Cooperative ("MEC," "Cooperative," the "Applicant") filed an application with the Commission under the Public Utilities Affiliates Act requesting approval for a Management Service Agreement (the "Agreement") with an affiliate. Pursuant to the Agreement, MEC will provide management and related services to an affiliate, Mecklenburg Communications Services, Inc.

As described in the application, MEC is an electrical distribution cooperative that supplies electric power and energy at retail to its members-consumers throughout its assigned service territory in Southside Virginia. MEC's assigned service area extends from Pittsylvania County along the Virginia/North Carolina border in an easterly direction to and including Southampton County. Cooperative represents that continuous, local, "toll-free" telephone service within its service area is not possible with the result that its members-consumers and members of the general public who are afforded telephone service through the five independent telephone exchanges serving the area (the "Exchanges") do not have Internet access on a local, toll-free basis.

In order to provide local Internet service to its members-consumers and to any other person or entity to whom telephone service is available from the Exchanges, MEC has chartered Mecklenburg Communications Services, Inc. ("MCS," "Affiliate"), in which it intends to issue corporate common stock to MEC so as to make it the sole shareholder of MCS. The directors of MEC will be the sole directors of MCS. The principal officers of MCS, with the exception of its Executive Vice President and General Manager, must be members of its Board of Directors.

MEC proposes to enter into a Management Service Agreement (the "Agreement") with MCS pursuant to which MEC will provide management and related services to MCS at MEC's cost. The services to be provided include accounting, financial management, administrative, and other services.

Pursuant to the Agreement, MCS will pay MEC the cost of providing such services. Should MEC be required to perform the services outside of the south central Virginia area, MCS will reimburse MEC for all reasonable and necessary travel expenses.

MEC further states in its application that, in addition to providing local, toll-free Internet service to its members-consumers and to the public generally served by the Exchanges at the lowest possible cost at non-long distance rates, MEC seeks to move toward diversification. In doing so, MEC seeks to offer additional services designed to enhance the quality of life of its members and the public served by the Exchanges thereby demonstrating its long-term commitment to the community, the general public, and its members-consumers.

THE COMMISSION, upon consideration of the application and representations of the Applicant and having been advised by its Staff, is of the opinion and finds that the above-described Management Service Agreement is in the public interest and should, therefore, be approved. Accordingly,

IT IS ORDERED THAT:

1) Pursuant to § 56-77 of the Code of Virginia, Mecklenburg Electric Cooperative is hereby granted approval to enter into the Management Service Agreement with Mecklenburg Communications Services, Inc., under the terms and conditions and for the purposes as described herein.

2) Should any of the terms and conditions of the Management Service Agreement change from those contained herein, Commission approval shall be required for such changes.

3) Actual overhead rates calculated by MEC and provided in a schedule to MCS shall be filed with the Director of Public Utility Accounting of the Commission within thirty days of providing the schedule to MCS.

4) The Applicant shall file with the Director of Public Utility Accounting of the Commission a copy of the system of accounts established for MCS within thirty days of establishing such system of accounts.

5) The approval granted herein shall not preclude the Commission from exercising the provisions of §§ 56-78 and 56-80 of the Code of Virginia hereafter.

6) The approval granted herein shall have no ratemaking implications.

7) The Commission reserves the authority to examine the books and records of any affiliate in connection with the approval granted herein whether or not such affiliate is regulated by the Commission, pursuant to § 56-79 of the Code of Virginia.

8) The Applicant shall file an Annual Report of Affiliate Transactions with the Director of Public Utility Accounting of the Commission by no later than May 1 of each year beginning May 1, 1999, providing a description of services and amount paid for such services provided during the preceding calendar year.

9) There appearing nothing further to be done in this matter, the same be, and it hereby is, dismissed.

CASE NO. PUA980040
DECEMBER 23, 1998

APPLICATION OF
ROANOKE & BOTETOURT TELEPHONE COMPANY

For approval of affiliate transactions

ORDER GRANTING APPROVAL

Roanoke & Botetourt Telephone Company ("R&B," the "Company," the "Applicant") is a Virginia public service company providing telephone service in Botetourt County, Virginia. The Bank of Fincastle ("Fincastle") is an independent community bank providing banking services in Botetourt County, Virginia.

The Company states, in its application, that J. Allen Layman ("Mr. Layman"), John F. Kilby ("Mr. Kilby"), and George E. Holt, Jr. ("Mr. Holt") are directors of R&B. Mr. Layman has been a director of R&B since 1980; Mr. Kilby has been a director of R&B since 1994; and Mr. Holt has been a director of R&B since 1968. Mr. Layman, Mr. Kilby, and Mr. Holt are also directors of The Bank of Fincastle. Mr. Layman, Mr. Kilby, and Mr. Holt have been directors of Fincastle since 1991, 1983, and 1968, respectively. The Company further states that, because Fincastle has at least two (2) directors in common with R&B, it is an affiliate of R&B under Virginia Code § 56-76.5.

Roanoke & Botetourt Telephone Company, a wholly owned subsidiary of R&B Communications, Inc., and The Bank of Fincastle request that the State Corporation Commission grant current and retroactive Affiliates Act approval for the following transactions:

1) Banking services provided by Fincastle to R&B; and

2) Tariffed local telephone service provided by R&B to Fincastle.

As indicated in the application, R&B and Fincastle are requesting approval retroactively to 1991, when the two (2) companies became affiliates. The Applicant represents that approval was not sought previously because R&B was unaware until recently that its relationship with Fincastle was of affiliate

status. Applicant further represents that, in the future, R&B and Fincastle will promptly apply for Commission approval of their affiliate transactions, as required by the Affiliates Act, before entering into them.

R&B states, in its application, that it does, and has done for a long period of time, a portion of its banking with Fincastle. Currently, R&B has its checking, savings, bill payment/collection accounts, and certificates of deposit with Fincastle. In its application, the Company states that charges for all services provided to R&B are competitive with those provided by unaffiliated banks in the area. A copy of Fincastle's fee schedule along with copies of fee schedules for two (2) unaffiliated banks were provided by the Company with its application. Company additionally states that, on occasion, because of R&B's large bank deposits, Fincastle provides various services such as wire transfers to R&B at no charge.

As described in the application, the services provided to the Company by Fincastle are provided on a month-to-month basis and may be canceled at will by either party. Furthermore, banking services are provided by Fincastle to R&B at rates according to, or discounted from, its fee schedule.

R&B represents that it only provides local telephone services to Fincastle and that such services are provided in accordance with R&B's lawfully filed tariffs.

NOW THE COMMISSION, upon consideration of the application and representation of Applicant and having been advised by its Staff, is of the opinion and finds that the above-described affiliate transactions are in the public interest and should be approved. Accordingly,

IT IS ORDERED THAT:

1) Pursuant to § 56-77 of the Code of Virginia, the Applicant is hereby granted current and retroactive approval of affiliate transactions described herein; specifically, the banking services provided by The Bank of Fincastle to Roanoke & Botetourt Telephone Company related to its accounts for checking, savings, bill payment/collection and certificate of deposit, and the tariffed local telephone service provided by Roanoke & Botetourt Telephone Company to The Bank of Fincastle, all under the terms, conditions and for the purposes as described herein.

2) The approval granted herein shall have no ratemaking implications.

3) The approval granted herein shall not preclude the Commission from exercising the provisions of §§ 56-78 and 56-80 of the Code of Virginia hereafter.

4) Should there be any changes in the terms and conditions of the affiliate transactions from those contained herein, Commission approval shall be required for such changes.

5) The Commission reserves the authority to examine the books and records of any affiliate in connection with the approval granted herein whether or not such affiliate is regulated by the Commission pursuant to § 56-79 of the Code of Virginia.

6) Applicant shall continue to file an Annual Report of Affiliate Transactions with the Director of Public Utility Accounting of the Commission by no later than May 1 of each year, for the preceding calendar year, subject to extension by the Director of Public Utility Accounting of the Commission. Information to be included in the Report is as follows: 1) affiliate's name; 2) description of each affiliate arrangement/agreement; 3) dates of each affiliate arrangement/agreement; 4) total dollar amount of each affiliate arrangement/agreement. The report shall include all agreements with affiliates regardless of amount involved and shall supersede all other affiliate reporting requirements previously ordered.

7) There appearing nothing further to be done in this matter, the same be, and it hereby is, dismissed.

CASE NO. PUA980051
DECEMBER 23, 1998

JOINT PETITION OF
AMERICAN MOBILE SATELLITE CORPORATION,
AMSC ACQUISITION COMPANY AND AMSC SUBSIDIARY CORPORATION
AND ACCESS POINT, INC., AND ACCESS POINT OF VIRGINIA, INC.

For approval of transfer of control

ORDER GRANTING APPROVAL

On December 21, 1998, American Mobile Satellite Corporation ("AMSC"), AMSC Acquisition Corporation ("AMSC Acquisition"), AMSC Subsidiary Corporation ("AMSC Sub"), Access Point, Inc., ("API") and Access Point of Virginia, Inc. ("APV"), (collectively, referred to as "Petitioners") filed a petition requesting approval, under § 56-88.1 of the Code of Virginia, for AMSC and AMSC Acquisition to acquire indirect control, and AMSC Sub to acquire direct control of APV from API.

AMSC is a leading provider of nationwide, end-to-end wireless communications services, including data and dispatch and voice services primarily to business customers in the United States. AMSC owns 80% of XM Satellite Radio, Inc. XM Satellite Radio, Inc., has been granted a license from the Federal Communications Commission (the "FCC") to construct, launch and operate a domestic satellite system for the provision of satellite-based digital audio radio service ("DARS"). AMSC is a Delaware corporation.

AMSC Acquisition is a wholly owned subsidiary of AMSC and is the vehicle through which AMSC owns and operates four subsidiaries: ARDIS, American Mobile Satellite Sales Corporation, AMSC Sales Corporation, Ltd., and AMSC Sub. ARDIS Company operates a two-way terrestrial data network with approximately 1,700 radio towers providing coverage of over 425 of the largest cities and towns in the United States. ARDIS also provides a wide range of mobile data services to the field services, two-way messaging and telemetry markets. AMSC Sub is authorized by the FCC to provide mobile

telephone voice, fax, and data communications via satellite to land, air, and maritime customers throughout the continental United States, Alaska, Puerto Rico, the United States Virgin Islands and 200 miles of coastal waters. AMSC Sub is also authorized to provide fixed-site services to customers who lack access to regular telephone service because of their remote location. In 1995, AMSC Sub successfully launched, and now operates, America's first high-powered mobile communications satellite to complement cellular service and to serve land mobile users, transportation companies, maritime users, corporate and commercial aircraft, and government agencies. AMSC Sub is a Virginia public service corporation located in Fairfax County, Virginia. AMSC Sub is also incorporated under the laws of Delaware.

API is authorized to offer local exchange services in Alabama, Florida, Georgia, North Carolina, and South Carolina. API is a North Carolina corporation and has a wholly owned subsidiary, APV. APV is a Virginia public service corporation and is authorized to offer local exchange telephone service in areas of Virginia.

Petitioners state that AMSC Sub and API have entered into a Stock Purchase Agreement, dated December 18, 1998 ("Stock Purchase Agreement"), under which AMSC Sub has agreed to acquire all of the outstanding capital stock of APV. Petitioners further state that, upon consummation of the transaction, APV will become a wholly owned, direct subsidiary of AMSC Sub and a wholly owned, indirect subsidiary of AMSC Acquisition and, in turn, also a wholly owned, indirect subsidiary of AMSC. The board of directors of both AMSC Sub and API has approved the transaction.

Petitioners represent, in their joint petition, that the proposed acquisition meets the requirement that adequate service to the public at just and reasonable rates will not be impaired or jeopardized for the following reasons:

1) Since the Commission on December 2, 1998, recently certificated APV as a competitive local exchange carrier ("CLEC"), APV does not currently have any assets, liabilities, or customers that would be affected by the proposed transaction.

2) APV is only one of sixty-nine (69) certificated CLECs in the Virginia marketplace. As a result, the proposed acquisition will not reduce or otherwise adversely affect competition in Virginia.

3) As a result of the transaction APV will become a separate subsidiary of AMSC Sub, and AMSC has no plans to make any changes in the corporate structure of APV.

4) APV will benefit from AMSC's greater size in the market and access to capital. AMSC will be able to expand its knowledge of retail communications services as a result of owning a CLEC in the competitive Virginia marketplace.

5) None of the Petitioners controls any bottleneck facilities or incumbent carrier network that could provide market power in communications services subject to the Commission's jurisdiction.

Petitioners request the Commission to grant expedited approval of their joint petition. As stated in the joint petition, closing the proposed transaction during 1998 is necessary to avoid certain unexpected, adverse tax consequences for AMSC Sub.

THE COMMISSION, upon consideration of the application and representation of the Petitioners and having been advised by its Staff, is of the opinion and finds that the above-described transfer of control will neither impair nor jeopardize the provision of adequate service at just and reasonable rates and should be approved. Accordingly,

IT IS ORDERED THAT:

1) Pursuant to §§ 56-88.1 and 56-90 of the Code of Virginia, approval is hereby granted for the above-described transfer of control.

2) There appearing nothing further to be done in this matter, the same be, and it hereby is, dismissed.

DIVISION OF COMMUNICATIONS

CASE NO. PUC870004
JANUARY 28, 1998

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION

Ex Parte: Investigation of deregulation of telephone company billing and collection services

FINAL ORDER

By its Interim Order entered January 28, 1988, the Commission, among other things, ordered that billing and collection services rendered by local exchange carriers ("LECs") remain as a regulated activity, permitted LECs to file individually negotiated billing agreements, and allowed LECs to continue to terminate service to subscribers who fail to pay for long distance services provided by a certificated interexchange carrier ("IXC") and billed by the LEC.

Since then, the Commission has altered the regulatory treatment of the recording, processing, rendering and inquiry functions of billing and collection service for companies operating under alternative regulatory plans approved pursuant to Section 56-235.5 of the Code of Virginia. Also, the Commission has invited and received additional comments pursuant to its Order Inviting Additional Comments of April 15, 1996. In addition, the Telecommunications Act of 1996, 47 U.S.C. § 151 et seq. ("Act"), became law. In view of these developments, the Commission now finds it necessary to modify and make final its Interim Order of January 28, 1988.

The Act contains requirements for incumbent LECs to provide access to unbundled network elements, which includes "information sufficient for billing and collection," to requesting telecommunications carriers. 47 U.S.C. § 251(c)(3) and § 151(29). Therefore, the Commission finds it is no longer necessary to apply tariff regulation to the recording, processing, rendering and inquiry functions that are involved in billing and collection services of applicable incumbent LECs. Ordering clauses A.(1) and A.(2) of the Interim Order need not remain in force.

By order of July 23, 1997 in Case No. PUC970113, the Commission initiated an investigation of the termination of local service for failure to pay long distance services, which was ordering clause A.(3) of the Interim Order. Comments have been received and that matter is under consideration by the Commission. This clause will remain in effect unless and until changed by subsequent order in Case No. PUC970113.

The other ordering clauses of the Interim Order require only updating and clarification of the language.

Accordingly, IT IS THEREFORE ORDERED THAT:

(1) The recording, processing, rendering and inquiry functions of billing and collection service are no longer subject to tariff regulation.

(2) LECs may continue to terminate service to subscribers who fail to pay for long distance services provided by a certificated IXC and billed by the LEC, but may not do so while the customer has a bona fide dispute with the IXC for whom the LEC is billing.

(3) LECs shall not discriminate in the quality of like services offered to certificated IXCs, but may offer different pricing and packaging of the services.

(4) LECs may not deny billing and collection service to any requesting, certificated IXC unless authorized by the Commission.

(5) LECs may collect deposits for certificated IXCs only upon criteria established by those IXCs.

(6) There being nothing further to come before the Commission, this matter is dismissed and the record developed herein shall be placed in the file for ended causes.

CASE NO. PUC930004
DECEMBER 7, 1998

APPLICATION OF
GTE SOUTH INCORPORATED

Annual Informational Filing

ORDER APPROVING STIPULATION AND DIRECTING REFUNDS

On October 26, 1998, the Commission's Staff ("Staff") filed its Motion to Adopt Stipulation, requesting that the Commission adopt the Joint Stipulation the Staff entered with GTE South Incorporated ("GTE" or "the Company") and direct the Company to make refunds in the amount of $1,224,430

plus appropriate interest from 1992 to the date refunds are accomplished. The motion states that the Staff is not aware of any party objecting to adopting this stipulation, and the Commission has received no objections to the Staff's motion. Accordingly, we find that the Joint Stipulation should be adopted.

Pursuant to the terms of the Joint Stipulation, GTE is directed to refund to its customers in its Southwest Virginia service territory $1,224,430, plus appropriate interest from 1992 to the date refunds are accomplished. In order to make equitable distribution of the refunds in proportion to the revenues paid by customers of Basic, Discretionary, and Potentially Competitive Services, GTE is directed to submit an exhibit similar to Schedule 1 attached to its October 4, 1995, Motion Seeking Approval of 1992 Refund Proposal. Such refunds shall be accomplished in the matter described below. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) On or before June 30, 1999, GTE shall refund with interest as directed below, the amount of $1,224,430.

(2) Interest upon such refund shall be computed from January 1, 1992, until the date refunds are made, at an average prime rate for each calendar quarter. The applicable average prime rate for each calendar quarter shall be the arithmetic mean, to the nearest one hundredth of one percent, of the prime rate values published in the Federal Reserve Bulletin or the Federal Reserve's Selected Interest Rates ("Selected Rates") (Statistical Release G.13), for the three months of the preceding calendar quarter.

(3) The interest shall be compounded quarterly.

(4) Refunds shall be distributed to 1992 customers based on each customer's proportion of billed revenues to the total.

(5) The refunds ordered above may be accomplished by credit to each customer's account for current customers. GTE should attempt to make refunds to former customers by mailing a check, for refunds of $1 or more, to the last known address of the customer. GTE need not mail checks for refunds less than $1 to former customers; however, GTE shall prepare and maintain a list of the former accounts which are due refunds of less than $1, and if such former customers contact GTE and request their refunds, those refunds shall be made promptly. For customers who have outstanding balances, GTE may offset the credit or refund to the extent no dispute exists regarding the outstanding balance. To the extent that an outstanding balance of such a customer is disputed, no offset shall be permitted for the disputed portion. All unclaimed refunds shall be handled in accordance with Virginia Code § 55-210.6:2.

(6) On or before August 31, 1999, GTE shall file with the Division of Communications a document explaining how all refunds have been lawfully made pursuant to this order.

(7) GTE shall bear all costs of the refund directed in this order.

(8) The tariffed rates of GTE for the year 1992 are no longer interim and shall be subject to no additional refunds.

(9) There being nothing further to come before the Commission, this matter shall be removed from the docket and the papers filed herein placed in the file for ended causes.

CASE NO. PUC930019
JANUARY 26, 1998

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION

Ex Parte: In the matter of investigating N11 access to information service providers

ORDER OF DISMISSAL

On January 27, 1995, the Commission entered an Order Continuing Case Generally in this matter "to allow the Commission to consider further developments in telecommunications that may significantly affect the provision of N11 service. Both the Congress of the United States and the General Assembly of Virginia are currently considering measures that would authorize competition in the market for local exchange telecommunications service." Both legislative bodies subsequently enacted the referenced measures and the landscape of local telephone service has been, to say the least, considerably altered.

The Commission has been advised by the parties and its Staff that all parties formerly interested in the matters under consideration in this docket have indicated that they have no further interest in continuing this matter under this docket.

Accordingly, IT IS ORDERED that this case shall be, and is, DISMISSED.

CASE NO. PUC930035
OCTOBER 7, 1998

APPLICATION OF
GTE SOUTH, INC., formerly CONTEL OF VIRGINIA, INC, d/b/a GTE VIRGINIA

To implement community calling plans in various GTE Virginia exchanges within the Richmond and Lynchburg LATAs

DISMISSAL ORDER

On December 15, 1993, Contel of Virginia, Inc., d/b/a GTE VIRGINIA (now merged into GTE South, Inc., hereafter referred to as "GTE" or "Company") filed an application with the State Corporation Commission ("Commission") to implement community calling plans in various GTE Virginia exchanges within the Richmond and Lynchburg LATAs.

By order of January 19, 1994, the Commission prescribed notice for the affected customers of GTE. By order of April 19, 1994, the Commission granted AT&T Communications of Virginia, Inc. and MCI Telecommunications of Virginia, Inc. leave to intervene and appointed a Hearing Examiner to conduct all further proceedings. The Hearing Examiner submitted her report January 10, 1995, and by order entered January 24, 1995, the Commission directed that comments to the Examiner's Report be filed on or before February 1, 1995.

Following the receipt of comments on the Examiner's Report, GTE furnished notice that it intended to file a general rate restructuring to revise its local exchange, access, and intraLATA long distance rates. That matter was filed in June of 1995, and was docketed as Case No. PUC950019. Because expanded local calling was being considered for all GTE exchanges in the company-wide restructuring case, this docket was suspended.

By order of November 7, 1997, in Case No. PUC950019, the Commission authorized GTE to implement a Local Calling Plan ("LCP") according to a proposed schedule. GTE has advised the Commission Staff that each phase of the LCP has been implemented and that the process is complete. Because the LCP has been fully implemented the Commission has determined that this matter is superfluous and may be dismissed.

Accordingly, IT IS ORDERED that this matter is dismissed and the record accumulated here shall be placed in the file for ended causes.

CASE NO. PUC950080
JULY 28, 1998

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION

Ex Parte: In the matter of investigating the resale of local exchange telephone service

ORDER OF DISMISSAL

This matter was initiated to investigate the resale of local exchange telephone service pursuant to the Commission's Order Adopting Rules, 1995 SCC Ann. Rept. 249 (Case No. PUC950018, Dec. 13, 1995). Notices were published and comments were received from numerous interested parties. The need to continue with a generic investigation of local exchange resale was nonetheless supplanted by the requirements of § 251 of the Telecommunications Act of 1996 ("Act"), 47 U.S.C. § 251. Pursuant to that section and applicable state law, the Commission has addressed resale in the arbitration dockets that have involved Bell Atlantic-Virginia and GTE South Incorporated.

Because the resale of local exchange telephone service is an established principle of the Act and any issues needing resolution will be addressed on a case-by-case basis, the Commission finds that this docket should be closed. Accordingly,

IT IS THEREFORE ORDERED THAT this matter is dismissed and the papers accumulated herein shall be placed in the file for ended causes.

CASE NO. PUC960022
JANUARY 9, 1998

PETITION OF
AT&T COMMUNICATIONS OF VIRGINIA, INC.

To direct Bell Atlantic-Virginia, Inc. to Immediately File With the Commission and Make Public all of its Interconnect Agreements and Arrangements

FINAL ORDER

On April 4, 1996, AT&T Communications of Virginia, Inc. ("AT&T"), filed its Petition Asking the Commission to Direct Bell Atlantic-Virginia, Inc. ("BA-VA") to Immediately File and Make Public all of its Interconnect Agreements and Arrangements. By order dated April 18, 1996, the Commission invited responses to this petition, finding that BA-VA and other interested parties should be afforded an opportunity to respond to the AT&T Petition.

On May 1, 1996, the Commission received responses from BA-VA, seventeen (17) Local Exchange Companies ("the Companies"), MCImetro ACCESS TRANSMISSION SERVICES OF VIRGINIA, INC. ("MCImetro") and MCI Telecommunications Corporation of Virginia ("MCIT"), and Virginia Cable Television Association ("VCTA").

BA-VA and the Companies requested that the Commission dismiss AT&T's petition by suggesting that the Telecommunications Act of 1996 ("the Act") does not require Local Exchange Carriers ("LECs") to file the agreements AT&T seeks, nor make the terms available to AT&T. MCImetro, MCIT, and VCTA requested that the Commission compel BA-VA to produce copies of its existing interconnection agreements to facilitate the development of full and vigorous competition in the local exchange telephone market.

Subsequent to the petition and responses in this case, the Federal Communications Commission on August 8, 1996, required such interconnection agreements between Class A LECs to be filed pursuant to the provisions of 47 C.F.R. § 51.303(b) of the federal rules. However, on July 18, 1997, this requirement was vacated by the Eighth Circuit Court of Appeals. See, Iowa Utilities Board v. FCC, No. 96-3321, 1997 WL 403401 (Eighth Circuit July 18, 1997).

AT&T and BA-VA filed an interconnection agreement on August 5, 1997, which has since been approved by the Commission. In light of the events at the federal level and the Commission's approval of an interconnection agreement between AT&T and BA-VA, the Commission finds that this case should be dismissed. The Commission has not to date required interconnection agreements between incumbent local exchange carriers signed prior to February 8, 1996, to be filed pursuant to § 252(e) of the Telecommunications Act of 1996, 47 U.S.C. § 252(e). The dismissal of this case should not be interpreted to mean that the Commission may not subsequently require filing such agreements pursuant to its authority under the Act or under state law.

Accordingly, IT IS THEREFORE ORDERED THAT this case is dismissed and the papers accumulated herein shall be placed in the file for ended causes.

CASE NO. PUC960124
JULY 17, 1998

PETITION OF
MCI TELECOMMUNICATIONS CORPORATION
and
MCImetro ACCESS TRANSMISSION SERVICES OF VIRGINIA, INC.

For arbitration of unresolved issues from interconnection negotiations with GTE South, Inc. pursuant to § 252 of the Telecommunications Act of 1996

ORDER RESOLVING OUTSTANDING INTERCONNECTION DISPUTES AND REQUIRING FILING OF INTERCONNECTION AGREEMENT

On January 3, 1997, the Commission issued its Order Resolving Non-Pricing Arbitration Issues and Requiring Filing of Interconnection Agreement ("Non-Pricing Order") between GTE South, Inc. ("GTE") and MCI Telecommunications Corporation and MCImetro Access Transmission Services of Virginia, Inc. (collectively "MCI"). The interconnection agreement between the parties was to be filed within sixty days of entry of the Non-Pricing Order.

The parties requested and obtained a number of extensions to the filing date of the agreement in order to "continue their negotiations to attempt to reach as much agreement as possible before filing an interconnection agreement."[1] On May 28, 1997, MCI and GTE filed a joint motion requesting until June 6, 1997, to file an interconnection agreement and comments on unresolved issues. The Commission on May 30, 1997, issued an Order Granting Further Extension ("Further Extension Order") to the parties which granted the extension and the request to file comments on the unresolved issues. In addition, the Further Extension Order required the parties to "include relevant supporting documentation to support their positions on the unresolved issues."

On June 6, 1997, both GTE and MCI filed descriptions of the remaining unresolved interconnection issues, including proposed contract language. The Commission's Order of December 17, 1997, directed the two parties to notify the Commission of any settled or resolved issues from their June 6 filings. On January 7, 1998, both parties filed reports of the status of the unresolved issues.

In its June 6, 1997, filing, GTE argues that none of the issues MCI desires to have resolved are properly before the Commission for determination. GTE claims that these matters were not properly raised during the arbitration and the Commission does not have the authority to resolve these issues. MCI's June 6 filing argued that Paragraph 20 of the Non-Pricing Order did not limit the parties to only the arbitrated issues when submitting disputed contract language. The Commission finds that each of these issues should and may be resolved as a contractual condition for implementation of the interconnection agreement. The Commission specifically contemplated resolution of such matters under Paragraph 20 of the Non-Pricing Order as a necessary component in the arbitration process to obtain approval of a workable interconnection agreement between the parties. The Commission considers the resolution of these issues to be directly related to conditions established in the arbitration process and permitted under Paragraph 20 of the Non-Pricing Order. In addition, it was the parties themselves who suggested the filing of comments on the unresolved issues and the Commission has provided each with ample opportunity to submit supporting documentation on their own positions and to comment on their opponent's positions.

GTE further argues that the Commission's procedures for resolving contract language disputes do not allow the resolution of substantive disputes. The Commission's authority to resolve disputed contract language and to impose conditions on the parties does not hinge upon whether the language is characterized as procedural or substantive. The Commission has determined that all that remains for the resolution of the remaining unresolved issues is the selection of appropriate contractual language pursuant to Ordering Paragraph 20 of the Non-Pricing Order. The comments and documentation submitted by the parties in their June 6, 1997, filings sufficiently define and explain the remaining disputed issues for the Commission to determine appropriate resolution.

[1] See letters submitted to Commission signed by both parties on February 27, 1997, March 21, 1997, and April 10, 1997.

In its June 6, 1997 filing MCI[2] identified the following remaining disputed issues:

1. Licensing of Intellectual Property (Article III, Section 23.1)
2. Indemnification for Intellectual Property (Article III, Section 23.2)
3. Dispute Resolution (Article III, Section 41.1)
4. Reciprocal Compensation Kick-in (Article IV, Section 3.4)
5. Tandem Reciprocal Compensation Charge (Article IV Section 3.4.1.2)
6. Removing Restrictions on Resale Aggregation (Article V Section 2 and Sections 3.2.1.5-3.2.1.6)
7. Resale of Discount Plans of Services (Article V, Section 3.2.9)
8. 911 Information Compensation (Article VII, Section 3.5.1)
9. Number Reservation (Article VIII, Section 2.1.4.3)
10. Procedures for Connectivity Billing and Recording (Article VIII Section 4.1.3)
11. Connectivity Billing and Recording (Article VIII, Section 4.7)
12. Information Exchange and Interface (Article VIII, Section 5.1)
13. Performance Reporting - Root Cause Analysis (Article VIII, Section 7.1.11)
14. Performance Reporting (Article VIII, Section 8.1.2.1)
15. Rights of Way - Parity Regarding Selecting Space (Article X Section 1 and 3.3)
16. Definition of Manholes (Article X, Section 2.9)
17. Cost of Cable Removal (Article X, Section 20.7)
18. Performance Reporting (Article XII)
19. Deaveraged Rates for Loops (Appendix C, Section 1.3.1)
20. Rates "To Be Determined" (Appendix C, Section 1.8)
21. Clarification (Appendix C - Attachment 1 - Item 8)

MCI's filing of January 7, 1998 recites that the parties have settled or resolved the following issues:

Issue No. 3 - Dispute resolution (Article III, § 41.1).

Issue No. 8 - 911 information compensation (Article VII, § 3.5.1).

Issue No. 9 - Number reservation (Article VIII § 2.1.4.3).

Issue No. 13 - Performance Reporting - Root Cause Analysis (Article VIII § 7.1.11).

Issue No. 14 - Performance Reporting (Article VIII, § 8.1.2.1).

Issue No. 15 - Rights of Way - Parity regarding selecting space (Article X § 1.3.3).

Issue No. 18 - Performance Reporting (Article XII).

Issue No. 19 - Deaveraged Rates for Loops (Appendix C, § 1.3.1).

Regarding Issue No. 19, MCI's January 7, 1998, filing states that it can accept, on an interim basis, GTE's unbundled loop rates of $14.99 per month in density group No. 1, $17.94 per month in density group No. 2 and $24.44 per month in density group No. 3. GTE's response states that it continues to oppose the geographic deaveraging of loop rates until it is allowed the opportunity to recover its historic costs. The Commission believes it is unclear whether this issue is resolved between the parties and therefore will treat it as unresolved in this order.

The parties shall include the agreed upon contract language for the resolved issues in their interconnection agreement.

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[2] GTE's June 6, 1997 filing addressed the same issues with slight differences in wording of each title.

As to the remaining 14 unresolved issues, having considered the evidence and the pleadings in accordance with the Telecommunications Act of 1996 and other applicable law, the Commission is of the opinion and orders that:

(1) With regard to Issue No. 1, the Commission does not adopt the specific contract language proposed by MCI but will require GTE to make available to MCI all licenses that can be made available without securing additional rights from the licensor. GTE shall cooperate with MCI in MCI's efforts to obtain any licenses or rights MCI needs in order to exercise all rights and obligations under the parties' interconnection agreement. MCI shall pay any additional cost incurred by GTE as a result of having additional rights extended to cover MCI.

(2) With regard to Issue No. 2, the Commission does not adopt the specific contract language proposed by either party. However, MCI shall indemnify GTE against claims by third party licensors where GTE demonstrates that it has fully complied with its responsibilities required under Issue No. 1, above, and GTE shall indemnify MCI against such claims where MCI can demonstrate that GTE failed to comply with its responsibilities under Issue No. 1, above.

(3) With regard to Issue No. 4, the Commission agrees with GTE's position and does not adopt the proposed contract language submitted by MCI. The trigger point for out-of-balance traffic termination shall be when either party exceeds 60 percent of the traffic between the two. Once that trigger point is reached, compensation shall be paid on the entire portion in excess of 50%. As an example, if the traffic imbalance reaches 61%, the party who is terminating 61% shall be paid compensation on 11%.

(4) With regard to Issue No. 5, the Commission adopts MCI's proposed contract language. The Commission has previously recognized the potential alternative network architecture of new entrants.[3] Therefore, the Commission determines it is appropriate to allow MCI to charge a tandem switching rate whenever its switch serves the same geographic area served by a GTE tandem switch.

(5) With regard to Issue No. 6, the Commission does not adopt the entire proposal of either party. The Commission does agree with GTE regarding the deletion of the MCI language in Section 2 and 3.2.1.5. It is not appropriate to include contract language in an agreement between two parties which requires tariff changes subject to this Commission's authority and of potential interest to other parties. In addition, it is neither necessary nor appropriate to define the terms under which tariffed services are to be offered in a contract as the Commission has other procedures to determine disputes between parties on tariff matters. However, with respect to MCI's purchase of tariffed services for resale, GTE shall be required to extend the available volume discounts to MCI according to the terms of the GTE tariffs. GTE may not impose additional restrictions on resale of telecommunications services, therefore GTE's proposed subsection 3.2.1.6 is superfluous and should not be included in the interconnection agreement.

(6) With regard to Issue No. 7, the Commission adopts GTE's proposed contract language. The language proposed by MCI is unnecessary. The Commission imposed only limited restrictions in accordance with the FCC's regulation as set forth in the Commission's December 11, 1996 Order Resolving Rates for Unbundled Network Elements and Interconnection, Wholesale Discount for Services Available for Resale, and Other Matters 1996 S.C.C. Ann. Rept. at page 233. GTE is already required by the Act and federal regulations to provide, at wholesale discounts, telecommunications services offered on a retail basis, including promotions lasting more than 90 days.

(7) With regard to issue No. 10, the Commission does not adopt the proposed contact language of MCI. However, GTE shall be required to provide bills to MCI in the CABS format as soon as it can reasonably develop the capability to do so.

(8) With regard to issue No. 11, the Commission adopts MCI's proposed contract language. While GTE is rendering bills in the CBBS (non-CABS) format, MCI is entitled to delay payment until MCI has had a reasonable opportunity to review and verify such bills.

(9) With regard to issue No. 12, the Commission adopts GTE's proposed contract language. This is consistent with the Commission's requirement in Ordering Paragraph 7.

(10) With regard to Issue No. 16, the Commission adopts MCI's proposed contract language. The Commission's January 3, 1997 Order Resolving Non-Pricing Arbitration Issues and Requiring Filing of Interconnection Agreement, Ordering Paragraph 13, adequately protects GTE for MCI's access to conduits and other telecommunications pathways, even if the facility is a controlled environment vault.

(11) With regard to Issue No. 17 the Commission adopts the proposed contract language of MCI. The cost of removing retired cable should be borne by the party which owns or controls the cable as the cost of removal should have already been recovered in the rates for services provided by the cable. However, the Commission suggests the parties include additional contract language in the Agreement to further reflect MCI's obligation to remove cable from GTE's conduit or poles when it is the entity that owns or controls cable which it subsequently retires.

(12) With regard to Issue 19, the Commission agrees with MCI's position and requires the adoption in this interconnection agreement of the deaveraged rates and density zones for loops as submitted by GTE on July 8, 1997, in Case No. PUC960118. The Commission previously required in its Order in this docket dated December 11, 1996, that rates for unbundled loops be deaveraged into three density zones.

(13) With regard to Issue No. 20 the Commission adopts the proposed contract language of MCI. For rates that are "to be determined," the terms of the Commission's December 11, 1997 pricing order are all inclusive, albeit interim, for the rates listed. Rates to be determined by the parties are those where both parties agree either (a) that some form of omission has occurred or (b) that some later calculation would be made.

(14) With regard to Issue No. 21 the Commission clarifies that the rates for traffic imbalance are the combination of the usage rates of end-office switching, transport, and where appropriate, tandem switching. As set out in Attachment A to the Commission's pricing order of December 11, 1996, end-office switching is $.0029 per minute, common transport is $.0009 per minute per leg, and tandem switching is $.0019 per minute.

(15) MCI and GTE shall submit an interconnection agreement in this docket incorporating the applicable findings and contract language adopted by the Commission as indicated above together with their negotiated language within 30 days of entry of this Order.

[3] The Commission made a similar finding in Case Nos. PUC960100, PUC960103, PUC960104, PUC960105, and PUC960113. See Ordering Paragraph 5 of the November 8, 1996 Order setting proxy prices and resolving interim number portability for Bell Atlantic-Virginia, Inc.

CASE NO. PUC960124
AUGUST 5, 1998

PETITION OF
MCI TELECOMMUNICATIONS CORPORATION
and
MCImetro ACCESS TRANSMISSION SERVICES OF VIRGINIA, INC.

For arbitration of unresolved issues from interconnection negotiations with GTE South, Inc. pursuant to § 252 of the Telecommunications Act of 1996

ORDER DENYING RECONSIDERATION

On July 30, 1998, GTE South Incorporated ("GTE") filed its Petition for Reconsideration of the Commission's July 17, 1998 Order Resolving Outstanding Interconnection Disputes and Requiring Filing of Interconnection Agreement ("Order Resolving Outstanding Disputes"). The Commission finds that the Petition for Reconsideration should be denied; however, the Commission wishes to clarify ordering paragraph (13) of the Order. GTE's Petition for Reconsideration held out the possibility that it might incur some unanticipated costs and yet be denied recovery of those costs due to the Order and the agreement to be finalized with MCI. At this late date in the arbitration process, the Commission cannot fathom that GTE has not anticipated all of those services and functions for which it might incur costs. Nonetheless, if GTE or MCI discover, after they have entered into an interconnection agreement, that they may incur some unrecovered costs for providing some particular item, neither MCI nor GTE is precluded by ordering paragraph (13) of the Order Resolving Outstanding Disputes from negotiating for cost recovery with the other party or from petitioning the Commission for recovery of those omitted costs. Accordingly,

IT IS THEREFORE ORDERED THAT GTE's July 30, 1998 Petition for Reconsideration is hereby denied.

CASE NO. PUC960124
SEPTEMBER 16, 1998

PETITION OF
MCI TELECOMMUNICATIONS CORPORATION
and
MCImetro ACCESS TRANSMISSION SERVICES OF VIRGINIA, INC.

For arbitration of unresolved issues from interconnection negotiations with GTE South, Inc. pursuant to § 252 of the Telecommunications Act of 1996

ORDER APPROVING INTERCONNECTION AGREEMENT

On July 17, 1998, the Commission entered its Order Resolving Outstanding Interconnection Disputes and Requiring Filing of Interconnection Agreement requiring GTE South, Inc. ("GTE") and MCI Telecommunications Corporation and MCImetro Access Transmission Services of Virginia, Inc. (collectively "MCI") to submit an interconnection agreement within thirty days. On August 17, 1998, GTE and MCI submitted such a document styled Interconnection, Resale, and Unbundling Agreement ("August Agreement"). That same day, MCI filed its Motion to Compel GTE to Execute the Interconnection Agreement because GTE had declined to sign the August Agreement. Also on that date, GTE filed its Comments on Interconnection Agreement Submitted August 17, 1998 ("Comments"). GTE's Comments gave a legal analysis of its concerns that the August Agreement contained requirements previously negotiated that were later nullified by the July 18, 1997 decision by the United States Court of Appeals for the Eighth Circuit. See Iowa Utils. Bd. v. FCC, 120 F.3d 753 (8th Cir.) petition for cert. granted, AT&T v. Iowa Utilities Board, 118 S. Ct. 879 (1998) (hereafter "Iowa Utils. Bd.").

MCI filed its Response to GTE's Comments ("MCI's Response") on August 21, 1998. MCI's Response argued that GTE's concerns had been previously raised and rejected by the Commission. MCI urged the Commission to deny GTE's request to reject the August Agreement and grant MCI's Motion to Compel GTE to Execute the Agreement.

On September 1, 1998, GTE filed its Reply to both MCI's Motion to Compel and MCI's Response ("GTE's Reply"). GTE's Reply argued that it was not required to sign the August Agreement because that Agreement does not comply with applicable law and has not been approved by the Commission, that the August Agreement is a functional equivalent of a Commission order and is not mutual between consenting parties, that the Telecommunications Act of 1996, 47 U.S.C. § 251 et seq. ("the Act") does not mandate the execution of interconnection agreements arrived at through arbitration, and that GTE's failure to sign the Agreement does not signal an intent by GTE not to abide by legally promulgated orders of the Commission. In reply to MCI's Response, GTE argued and attached an affidavit that it had repeatedly requested removal of alleged illegal requirements from the negotiated portions of the Agreement, and that the Commission had recognized that its review of an interconnection agreement must be consistent with the law applicable at the time that the agreement is submitted.

The dispute between MCI and GTE may be reconciled by an explanation of our December 17, 1997 Order Denying Motion. In that order, we denied GTE's August 17, 1997 Motion asking the Commission to direct the parties to renegotiate their proposed agreement to conform it to the Iowa Utils. Bd. decision. In declining to direct such renegotiations, the Commission stated "the Commission and the parties need only conform to the standards of §§ 251 and 252 with the knowledge that any determination may be reviewed by a U.S. District Court. At the time the parties submit their agreement for approval pursuant to § 252(e), the Commission will review it according to the law applicable at that time and any reviewing District Court will do the same."

The very next paragraph of that order did revisit one of the Commission's arbitrated findings that appeared to conflict with the Iowa Utils. Bd. decision. The Commission stated that ordering paragraph (21) of its December 11, 1996 Order would not require GTE to provide a superior service quality while that issue was being litigated and/or until further order of the Commission. In this manner, the Commission clarified its arbitration decision to assure compliance with federal appellate decisions, but declined to interfere with the non-arbitrated, negotiated issues.

The August Agreement submits both the negotiated provisions and the arbitrated provisions for approval as a single package. The Commission can now review all portions to assure compliance with §§ 251 and 252, as currently interpreted by the federal appellate courts. We do not read the August Agreement as requiring GTE to do things the Iowa Utils. Bd. decision said it was not obligated to do. For instance, GTE believes the Agreement requires it to combine Unbundled Network Elements ("UNEs") at MCI's request. We believe such combinations are not mandated by the Act as currently interpreted by federal appellate courts; however, such combinations are not unlawful if the parties agree or if the Commission finds it may otherwise require such a condition based upon Virginia law. As long as the Eighth Circuit's interpretation stands, we do not believe that GTE has agreed to combine UNEs. Moreover, the Commission's arbitration decisions have not specifically required the recombination of UNEs.[1] GTE is not obligated to combine UNEs for MCI at this time. Nonetheless, to prevent misconstruction of the August Agreement, the Commission has determined to make a clarification similar to that on the arbitrated superior service quality issue contained in our December 17, 1997 Order. Nothing in the August Agreement shall be interpreted as requiring GTE to act or refrain from acting in a manner contrary to the Iowa Utils. Bd. decision as rendered by the Eighth Circuit or as modified by the U.S. Supreme Court.

GTE and MCI each fault the other for not clarifying or re-negotiating the agreement following the Iowa Utils. Bd. decision. The Commission need not speculate on how much better the agreement would have been had both parties negotiated more conscientiously. GTE has not waived nor negotiated away its right to rely upon the appellate rulings in Iowa Utils. Bd. and MCI need not renegotiate all the points asserted by GTE in its pleadings of August 29, 1997, August 17, 1998, and September 1, 1998. Instead, the Commission approves the August Agreement with the understanding that nothing therein shall cause GTE to act or to refrain from acting contrary to appellate decisions interpreting §§ 251 and 252. With that proviso, the Commission approves the August Agreement and finds that it complies with §§ 251 and 252.

With the approval of the August Agreement, the Commission also denies MCI's Motion to Compel GTE to Execute. GTE's Reply of September 1, 1998, correctly states that § 252(e) does not require submission of an executed agreement when it results from arbitration.[2] While an unexecuted agreement might not be enforceable in most civil courts, it is enforceable pursuant to §§ 251 and 252. The Commission's approval of the August Agreement gives it the force and authority of a Commission order. GTE has pledged not to disobey valid Commission orders and we accept that GTE shall honor its pledge. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) Pursuant to the Commission's authority to regulate public service companies as authorized by the Va. Const. art. IX, § 2 and § 56-35 of the Code of Virginia, the interconnection agreement submitted by GTE and MCI is hereby approved as complying with § 252(e) of the Act.

(2) Pursuant to § 252(h) of the Act, a copy of this Agreement shall be kept on file in the Commission's Division of Communications for inspection by the public.

(3) This matter is continued generally for the consideration of a subsequent revision or amendments to the Agreement.

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[1] Our Pricing Order of December 11, 1996, 1996 S.C.C. Ann. Rept. 232, 234 stated, "GTE shall provide any Commission-approved unbundled network element in any technically feasible manner for the provision of telecommunications service in accordance with § 251(c)(3) of the Act. The petitioners may combine such unbundled network elements to provide telecommunications services."

[2] Rule C.7. of the Commission's Procedural Rules for Implementing §§ 251 and 252 of the Telecommunications Act of 1996, 20 VAC 5-400-190, requires the parties to submit a "formalized" agreement. "Formalized" does not necessarily equate to executed, since § 252(e) does not require agreements resulting from arbitration to be signed or executed by the parties. Executed contracts are preferred, but where a party such as GTE does not wish to waive or concede issues, it is understandable that such a party would not wish to endorse a document by attaching an officer's signature.

CASE NO. PUC960125
JUNE 26, 1998

APPLICATION OF
CENTRAL TELEPHONE COMPANY OF VIRGINIA

For tariff provisions pursuant to paragraph 8A of the Alternative Regulatory Plan for Central Telephone Company of Virginia and United Telephone-Southeast, Inc.

ORDER PERMITTING WITHDRAWAL OF APPLICATION

On September 10, 1996, Central Telephone Company of Virginia ("Centel" or "the Company") filed revisions to its general subscriber services tariff with the Commission's Division of Communications. Centel sought the changes pursuant to Paragraph 8A of the Alternative Regulatory Plan for the Company and United Telephone-Southeast, Inc.

By letter dated April 4, 1997, Centel requested that the procedural schedule in this matter be suspended in order for it to make revisions to its filing. In response, the Commission entered an order on April 11, 1997, suspending the procedural schedule until further order. Centel subsequently advised the Commission that it wished to withdraw its application and refile its proposed tariffs in the future. The Commission entered an order on November 21, 1997, permitting Centel to withdraw its application.

Centel refiled its application with revised tariffs on December 30, 1997, and subsequently submitted additional tariff revisions on March 12, 1998, and March 19, 1998. By order of March 24, 1998, the Commission reinstated the Company's application, re-established a procedural schedule, and suspended the proposed tariff revisions.

By letter filed with the Commission on June 24, 1998, Centel advises that it has decided to withdraw its application and revised filings made on December 30, 1997, and March 12 and 19, 1998. The Company states that in review of its revised filings with the Commission Staff, errors were discovered which, when corrected, resulted in the Company overstating projected revenue and the offset to zone mileage charges.

NOW, THE COMMISSION, having considered Centel's request, is of the opinion and finds that the Company should be permitted to withdraw its application. We note, however, that as a result of the significant revisions to its initial filing, the Company was required to furnish notice of its application to its customers on two separate occasions. The Commission does not want to add to any customer confusion that may exist on the outcome of this application. We therefore find that Centel should give notice to its customers of the withdrawal of its application. Accordingly,

IT IS ORDERED THAT:

(1) Centel may withdraw its application in this matter.

(2) By bill message or insert, Centel shall give notice to its customers of the withdrawal of its application. The language of such notice shall be approved by the Commission Staff.

(3) This matter is hereby DISMISSED without prejudice.

(4) The papers filed herein shall be placed in the Commission's files for ended causes.

CASE NO. PUC960128
OCTOBER 7, 1998

PETITION OF
SPRINT COMMUNICATIONS COMPANY, L.P.

For arbitration of unresolved issues from interconnection negotiations with Bell Atlantic-Virginia, Inc. pursuant to § 252 of the Telecommunications Act of 1996

DISMISSAL ORDER

On December 18, 1996, Bell Atlantic-Virginia, Inc. ("BA-VA") and Sprint Communications Company, L.P. ("Sprint") filed an Agreement for Withdrawal of Arbitration Issues. Pursuant to the Commission's Order of January 13, 1997, this docket was left open to receive an anticipated interconnection agreement between BA-VA and Sprint.

No interconnection agreement has been filed and the parties have not indicated that they are actively pursuing one. The Commission has determined that this matter can be closed without prejudicing any future interconnection agreement that BA-VA and Sprint may submit for approval pursuant to the terms of § 252 of the Telecommunications Act of 1996. Accordingly,

IT IS THEREFORE ORDERED THAT this docket is closed and the record developed herein shall be placed in the file for ended causes.

CASE NO. PUC960131
OCTOBER 7, 1998

PETITION OF
SPRINT COMMUNICATIONS COMPANY, L.P.

For arbitration of unresolved issues from interconnection negotiations with GTE South, Inc. pursuant to § 252 of the Telecommunications Act of 1996

DISMISSAL ORDER

By Order of January 21, 1997, the Commission resolved certain non-pricing issues between Sprint Communications Company, L. P. ("Sprint") and GTE South, Inc. ("GTE"). That Order also directed the parties to file an interconnection agreement incorporating the Commission's findings as well as the parties' previous agreements within sixty days.

No mutual agreement was ever submitted. Instead, on March 18, 1997, GTE submitted its version of an interconnection, resale and unbundling agreement. On March 21, 1997, Sprint responded that the GTE filing was unilateral and that Sprint had not agreed to the terms and conditions in GTE's March 18 filing. Sprint explained that it intended to adopt the interconnection agreement between AT&T Communications of Virginia, Inc. ("AT&T") and GTE once such an agreement was approved in Virginia.

No interconnection agreement between AT&T and GTE has been submitted for approval and none is anticipated in the near future. The Commission has determined that this matter can be closed without prejudicing any future interconnection agreement that GTE and Sprint may submit for approval pursuant to the terms of § 252 of the Telecommunications Act of 1996. Accordingly,

IT IS THEREFORE ORDERED THAT this docket is closed and the record developed herein shall be placed in the file for ended causes.

CASE NO. PUC960140
DECEMBER 16, 1998

APPLICATION OF
UNITED TELEPHONE-SOUTHEAST, INC.

For tariff revisions Pursuant to paragraph 8A of the Alternative Regulatory Plan for Central Telephone Company of Virginia and United Telephone-Southeast, Inc.

ORDER PERMITTING WITHDRAWAL OF APPLICATION

On September 10, 1996, United Telephone-Southeast, Inc. ("United" or "the Company") filed revisions to its General Services Tariff to restructure its rates pursuant to the Paragraph 8A revenue-neutral provisions of the Alternative Regulatory Plan for Central Telephone Company of Virginia and United Telephone – Southeast, Inc. ("the Plan"). United's proposed revenue restructuring involved its Custom Calling and ExpressTouch features and packages.

By Order entered January 17, 1997, the Commission directed United to provide notice, by bill inserts, to its customers of the proposed changes. United filed proof of this notice on March 27, 1997. The Commission received responses from four customers opposing the rate revisions. At United's request, the Commission suspended the procedural schedule by Order of April 11, 1997. United filed new revised tariffs on November 21, 1997. The Company filed a third set of revised tariffs on January 28, 1998. In an Order of March 18, 1998, the Commission directed United to provide additional notice to its customers of the revised application. No further comments were received in response to this notice. United filed proof of this notice on April 27, 1998.

The Staff filed its Report on United's application on June 19, 1998. The Staff generally supported United's rate restructuring, but voiced concerns over some aspects of the proposal, including the rates for certain services. The Staff Report recommended approval of United's proposal with certain modifications and conditions designed to ensure that the price changes are revenue-neutral as defined in Paragraph 8 of the Plan, and that the changes are in the public interest.

In response to the Staff Report, United filed a letter with the Commission on June 24, 1998. The Company stated: "We have reviewed the Report and concur with the recommendations made by Staff."

On October 23, 1998, United filed a letter with the Commission stating its desire to withdraw its application. The Company cited "recent discussions with the Staff regarding the Company's desire to alter certain of the proposals contained in the filing," and its desire to "pursue the update to its marketing plan through new proposals to be filed with the Commission by yearend."

NOW THE COMMISSION, having considered United's application, the Company's Plan, § 56-235.5 of the Code, the Staff Report, the Company's filed response to the Report, and the Company's letter filed October 23, 1998, is of the opinion that the Company should be permitted to withdraw its application. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) United may withdraw its application in this matter.

(2) This matter is hereby DISMISSED without prejudice.

(3) The papers filed herein shall be placed in the Commission's files for ended causes.

CASE NO. PUC960142
JANUARY 5, 1998

APPLICATION OF
CITIZENS COMMUNICATIONS CORPORATION

For a certificate of public convenience and necessity to provide local exchange telecommunications service

FINAL ORDER

On November 1, 1996, Citizens Telephone Cooperative, Inc. ("the Cooperative") filed an application for a certificate of public convenience and necessity to provide local exchange telecommunications services in certain parts of Virginia. In response to a Commission order dated July 14, 1997, the Cooperative filed, on November 4, 1997, an amendment to its application substituting a wholly-owned subsidiary, Citizens Communications Corporation ("CCC"), as the applicant in this matter. The Cooperative further amended its application by expanding the proposed service territory to include the entire Commonwealth.

By order dated November 17, 1997, the Commission directed CCC to provide notice to the public of its application, directed the Commission Staff to conduct an investigation and file a report, and scheduled a public hearing to receive evidence relevant to CCC's application.

On December 10, 1997, the Staff filed its report finding that CCC's application was in compliance with the Commission's Rules for Local Exchange Telephone Competition, as adopted in Case No. PUC950018. Accordingly, the Staff recommended granting a local exchange certificate to CCC.

A hearing was conducted on December 18, 1997. CCC filed proof of publication and proof of service as required by the November 17, 1997 scheduling order. At the hearing, the application, with accompanying exhibits, and the Staff Report were entered into the record without objection.

Having considered the application and the Staff Report, the Commission finds that such application should be granted. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) Citizens Communications Corporation is hereby granted a certificate of public convenience and necessity, No. T-398, to provide local exchange telecommunications service subject to the restrictions set forth in the Commission's Rules for Local Exchange Telephone Competition, § 56-265.4:4 of the Code of Virginia, and the provisions of this Order.

(2) CCC shall provide tariffs to the Division of Communications which conform with all applicable Commission rules and regulations.

(3) There being nothing further to come before the Commission, this case shall be dismissed and the papers placed in the file for ended causes.

CASE NO. PUC960142
JANUARY 12, 1998

APPLICATION OF
CITIZENS COMMUNICATIONS CORPORATION

For a certificate of public convenience and necessity to provide local exchange telecommunications service

AMENDING ORDER

On January 5, 1998, the State Corporation Commission issued its Final Order in this proceeding granting a certificate of public convenience and necessity ("certificate") to Citizens Communications Corporation ("Citizens") to provide local exchange telecommunications service. Ordering paragraph (1) of page 2 in that order grants to Citizens Certificate No. T-398. It was intended that the certificate granted be No. T-400 instead of T-398.

WHEREFORE, the Commission finds that ordering paragraph (1) on page 2 of the January 5, 1998 Order should be amended as follows:

> Citizens Communications Corporation is hereby granted a certificate of public convenience and necessity, No. T-400, to provide local exchange telecommunications service subject to the restrictions set forth in the Commission's Rules for Local Exchange Telephone Competition, § 56-265.4:4 of the Code of Virginia, and the provisions of this Order.

All other provisions of the January 5, 1998 Order shall remain in effect.

Accordingly, IT IS ORDERED THAT:

(1) Ordering paragraph (1) of the January 5, 1998 Final Order shall be amended as provided herein, and all other provisions of that Order shall remain in effect.

CASE NO. PUC960156
FEBRUARY 12, 1998

PETITION OF
AT&T COMMUNICATIONS OF VIRGINIA, INC.

To withdraw Postalized Calling Plan

ORDER APPROVING WITHDRAWAL

On December 13, 1996, AT&T Communications of Virginia, Inc. ("AT&T") filed a petition seeking authority to withdraw its Postalized Calling Plan, pursuant to Rule 5 of the Commission's Rules Governing Certification of Interexchange Carriers. Attached to the petition was a sample copy of the notice mailed to customers receiving the Postalized Calling Plan.

The forty-five Postalized Calling Plan customers in Virginia have been transferred to the "AT&T One Rate" plan which gives customers the ability to call any location at any time of day for $0.15 per minute. The Postalized Calling Plan had rates of $0.20 per minute for peak calling and $0.12 per minute for off-peak calling. The only customers who might have incurred higher bills as a result of canceling this plan would be those who had concentrated their long distance calling during the off-peak hours.

The Commission finds that the notice AT&T provided its forty-five customers was sufficient to alert them to the possibility that their bills might increase. In the competitive interexchange market, customers have the opportunity to seek better rates from another carrier if they are dissatisfied with the rates offered by their existing carrier. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) Pursuant to the provisions of Rule 5 of the Commission's Rules Governing Certification of Interexchange Carriers, AT&T is authorized to withdraw its Postalized Calling Plan.

(2) There being nothing further to come before the Commission, this matter is dismissed and the papers filed herein shall be placed in the file for ended causes.

CASE NO. PUC960161
NOVEMBER 23, 1998

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION

Ex Parte: In re: Investigation of area code relief for the 703 code of Northern Virginia

ORDER ON AREA CODE RELIEF

On November 13, 1996, members of the telecommunications industry and the Commission Staff held a meeting regarding area code relief for the 703 code. At that time, area code 703 was projected to reach exhaustion of available telephone numbers during the fourth quarter of 1999.

Industry representatives attending the meeting were not able to reach a consensus on a specific relief plan but did narrow the options to two alternatives: (1) split the existing 703 area along a north-south boundary, with the eastern portion retaining the 703 area code; or (2) assign a new area code (an overlay) to the same geographic area as the existing 703 area.

On December 20, 1996, Bell Atlantic-Virginia ("BA-VA"), on behalf of itself and other members of the telecommunications industry, requested this Commission to initiate an investigation to determine which relief plan should be implemented. Pursuant to 47 C.F.R. § 52.19(a), the Federal Communications Commission ("FCC") delegated to the state commissions the authority to implement overlays, splits and boundary re-alignments for new area codes.

By order dated February 21, 1997, the Commission assigned this case to a Hearing Examiner and directed that public notice be published notifying the public and interested parties of the relief plans suggested by the telecommunications industry and ordered that a local public hearing be held to receive comments on what form of relief should be implemented.

On March 24, 1997, a Hearing Examiner's Ruling was entered scheduling two hearings (afternoon and evening) in Annandale, Virginia on June 23, 1997. The ruling also invited the public to file written comments on the matter of appropriate area code relief.

After consideration of the testimony received at the hearings and comments filed by interested parties, the Hearing Examiner entered a report on October 9, 1997, recommending that (1) a geographic split be implemented in the 703 area when relief becomes necessary, and (2) the Division of Communications Staff investigate whether there are any conservation plans available which could delay relief of the 703 area code.

On October 24, 1997, BA-VA filed comments on the Hearing Examiner's report, restating its initial recommendation that an overlay is the best relief method for the 703 area. BA-VA also stated that the projected exhaust time for available telephone numbers had changed from the fourth quarter of 1999 to the third quarter of 2000 thereby allowing the Commission more time to make its decision.

On November 7, 1997, the Commission issued its Order which deferred a decision in this matter. The Order of November 7, 1997, also directed a Staff investigation of number conservation plans which might delay implementation of area code relief for area code 703. On June 23, 1998, the Commission issued an Order granting the Commission's Staff an extension of time through December 31, 1998, within which to file a report on its investigation of number conservation plans for area code 703. On July 17, 1998, the Commission issued an Order denying a motion for reconsideration of the extension of time brought by BA-VA and further granted leave to all parties to file supplemental comments to the Hearing Examiner's report, to be filed no later than August 31, 1998. Pursuant to said Order, supplemental comments were filed in this case by Washington/Baltimore Cellular Limited Partnership ("Washington/Baltimore"), MCImetro Access Transmission Services of Virginia, Inc. ("MCImetro"), BA-VA, AT&T Communications of Virginia, Inc. ("AT&T") and Bell Atlantic Mobile ("BAM"). Additionally, 424 comments were filed by members of the public at large.

In summary, the 424 comments filed by the public, as well as the supplemental comments of Washington/Baltimore, BAM and BA-VA, urged the Commission to adopt a new overlay area code. The supplemental comments of AT&T and MCImetro called for an area code split.

The Commission, having further considered the report of its Hearing Examiner filed October 9, 1997, as well as the public's comments and supplemental comments filed herein and the applicable law, now reaches the following conclusion with regard to the appropriate area code relief.

CONCLUSION

We conclude that the implementation of local number portability throughout the 703 area code has substantially changed the circumstances upon which the Hearing Examiner had based his recommendation that an area code split be ordered. Today, the implementation of an overlay will not substantially alter the dialing patterns within area code 703. We find that an overlay is the most reasonable method of accomplishing area code relief for the 703 area code and should be so ordered. Our decision to implement an overlay now will allow the telecommunications industry and certain telephone customers, such as security alarm providers, an adequate period to reprogram equipment and to allow the general public a period of permissive dialing using either 7 or 10 digits for local calls within some portions of the 703 area code.

Accordingly, IT IS ORDERED THAT:

(1) An area code overlay shall be implemented for the 703 area.

(2) The area code administrator and appropriate parties are hereby directed to take such actions as are necessary to implement the area code overlay ordered for the 703 area.

CASE NO. PUC970005
MAY 22, 1998

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION

Ex Parte: To determine prices Bell Atlantic-Virginia, Inc. is authorized to charge Competitive Local Exchange Carriers in accordance with the Telecommunications Act of 1996 and applicable State law

ORDER

A. Background and Procedural History

On November 8, 1996, the Virginia State Corporation Commission ("Commission") entered an Order Setting Proxy Prices and Resolving Interim Number Portability in Case Nos. PUC960100, PUC960103, PUC960104, PUC960105, and PUC960113 (the "Bell Atlantic-Virginia, Inc. arbitration cases"). In that Order, the Commission adopted interim rates for unbundled elements and interconnection.

As noted in an earlier Order of September 11, 1996, once interim prices had been established, the Commission would open a docket to address a Federal Communications Commission ("FCC") requirement that a cost model be adopted that would comply with the Total Element Long Run Incremental Cost ("TELRIC") pricing method described in 47 C.F.R. §§ 51.505 and 51.511. The FCC's First Report and Order released August 8, 1996, ("First Order") in CC Docket No. 96-98, In the Matter of Implementation of the Local Competition Provisions in the Telecommunications Act of 1996, 11 F.C.C.R. 15499 (1996), stated that once such a rulemaking proceeding was conducted and a determination of a cost model was made by a state regulatory commission, then the state would be required to replace any interim, or proxy, rates set in an arbitration proceeding with the permanent rates resulting from the rulemaking. [1]

By Commission Order of January 14, 1997, the instant proceeding was established to determine the permanent prices that Bell Atlantic-Virginia, Inc. ("BA-VA") would be allowed to charge competitive local exchange carriers ("CLECs") for unbundled network elements and interconnection in accordance with the Telecommunications Act of 1996 ("the Act") and applicable state laws. The Order set out issues to be addressed and requested BA-VA and other interested parties to provide proposals for appropriate pricing methodologies and rates for consideration by the Commission. A schedule was established for workshops, comments, testimony, a Staff Report, and a hearing. After receiving comments from the parties, the Commission entered an Order Prescribing Additional Issues on March 21, 1997.

BA-VA has asked the Commission to determine whether the prices submitted in its Statement of Generally Available Terms and Conditions filed on December 20, 1996, comply with the requirements of § 252(d) of the Act. The Commission declines to make that determination.

A hearing in this matter began on June 9, 1997, and ran for a period of 13 days, concluding on July 30, 1997. The record consists of prefiled testimony by 26 witnesses and Commission Staff, oral testimony by 27 witnesses during the hearings, 2,814 pages of hearing transcript, and 195 exhibits.

At the conclusion of the hearing on July 30, 1997, the Commission ordered that all reserved and outstanding exhibits be filed by August 8, 1997, and that all objections thereto be filed by August 13, 1997, with responses to same being filed by August 18, 1997. Additionally, any corrections to the hearing transcripts were to be filed by August 20, 1997, and briefs were due on or before September 9, 1997.

On July 31, 1997, BA-VA filed Exhibit RLS-190, a reserved exhibit relating to the running of its CapCost+ economic model, regarding the use of a 40-year planning period. On August 13, 1997, the Virginia Cable Telecommunications Association ("VCTA") filed a Motion to Strike this exhibit, objecting to certain language contained therein. Staff also filed an objection to Exhibit RLS-190 on August 13, 1997, stating that "BA-VA failed to extend the planning period to account for the extra vintages being considered."[2] A proprietary printout of the results of running CapCost+ with planning periods of 15, 17, and 40 years was filed with Staff's letter of objection. After consideration, the Commission will receive RLS-190 into the record in this case along with the three pages of proprietary results attached to Staff's objection.

Corrections to the transcripts were filed on August 20, 1997, by BA-VA, AT&T Communications of Virginia, Inc. ("AT&T"), MCImetro Access Transmission Services of Virginia, Inc. ("MCI"), and Staff. Corrections by VCTA and additional corrections by Staff were filed out of time on August 21, 1997. At the Commission's direction, all parties were afforded an opportunity to take exception to any of the corrections filed. On November 7, 1997, the parties were asked to review all the filed transcript corrections and advise the Commission of any perceived inaccuracies by November 26, 1997. Nothing further has been filed with regard to the transcript corrections. Absent any filed exceptions, the Commission grants BA-VA's Motion to Correct Transcript and VCTA's Motion for Leave to File Transcript Corrections Out of Time and accepts all hearing transcript corrections filed on and out of time, making such corrections part of the record herein.

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[1] While these rules were subsequently vacated by the Eighth Circuit's decision in Iowa Utilities Board v. FCC, 120 F.3d 753 (8th Cir. 1997), the Commission had already implemented interim rates and was committed to replacing them with permanent rates. This proceeding was unaffected by abrogation of the FCC rules because our jurisdiction is founded on §§ 251 and 252, 47 U.S.C. §§ 251 and 252, and applicable Virginia law.

[2] Letter filed by Staff on August 13, 1997, in Case No. PUC970005, DCN 970820137.

Briefs were filed on September 8, 1997, by the Department of Defense and on September 9, 1997, by BA-VA, AT&T, MCI, Staff, VCTA, MFS Intelenet of Virginia, Inc. ("MFS"), and Teleport Communications Group, Inc. ("TCG"); and these, together with the voluminous record received in this matter, including any issues raised but not specifically addressed in this Order, have been given consideration by the Commission in the decisions set out below.

B. Economic Principles And Selection Of Economic Model

All parties and the Staff of the Commission agreed that the Act requires the use of forward-looking rather than embedded costing methodologies. The principles espoused by Staff and each party's economic witnesses supported the TELRIC concept adopted by the FCC in the First Order. Fundamental differences, however, were identified in the application of these principles.

The Commission finds that prices of interconnection and network elements should be based on their total, forward-looking, long-run incremental costs; that the application of these principles should reflect BA-VA's existing wire center locations and the most efficient technology that can reasonably be employed in the immediate future; and that an appropriate allocation of shared costs and common overhead costs, excluding retailing costs, should be included in these costs. The Commission finds that prices based on these costs meet the requirements of the Act.

AT&T/MCI proposed the Hatfield Model, and BA-VA proposed a system of models to apply these principles. The Hatfield Model permits ease of operation, openness, and relies on publicly available data. On the other hand, the BA-VA system, while complex, produces costs for every rate element, whereas the Hatfield Model produces costs for relatively few. Moreover, the BA-VA system relies on data more closely related to actual Virginia operating conditions. We choose to rely on the BA-VA system, with certain modifications, primarily for these practical reasons.[3]

Model selection is an important issue. The Staff demonstrated, however, that when comparable inputs were used, the two models or systems produced comparable results. This correlation between inputs and results makes the inputs to be used in the model of critical importance. Due to the Hatfield Model's openness and flexibility, it can be run with similar inputs to assure that the BA-VA system is functioning properly and producing reasonable results. We recognize that the BA-VA system of models has inflation and productivity adjustments built in. It need not be altered for those adjustments and, unless otherwise stated below, is not to be altered from the manner in which BA-VA submitted it. We find, however, that the most accurate common overhead factor, for use throughout BA-VA's studies, is the 8.01% recommended by Staff.

C. Recurring Investment-Related Costs

The BA-VA system of models for recurring costs follows a two-step process: first, the investment required for the element is determined; second, the recurring investment-related costs are determined by multiplying that investment by an annual cost factor produced by the CapCost+ model. The Commission finds that the CapCost+ model will produce annual cost factors appropriate for use in all recurring cost computations now required in this proceeding, provided that it is rerun using the input changes below.

(1) We find that the overall, forward-looking cost of capital for BA-VA is 10.12%. Based on the record in this case, this cost of capital is determined using a capital structure of 40% debt and 60% equity, a cost of debt of 7.6%, and a cost of equity of 11.8%.

(2) We adopt the AT&T/MCI-recommended depreciation parameters (Exhibit RBL-78, Attachment 6, Column "FCC VA"), in which Staff concurred, for forward-looking, economic lives and net salvage percentages. These parameters are the best supported and most reasonable data in this proceeding.

(3) We find that the planning period input shall be sufficient to cover the life of all vintages in the study, as recommended by Staff. This means the CapCost+ input for this parameter shall be 40 years. The most accurate annual cost factors will be produced by ensuring that the CapCost+ levelization process includes the costs for all years in which investment costs are incurred.

(4) We find that the survivor curve input shall specify a rectangular shape. This means the CapCost+ input for this parameter shall specify a "9 curve". The studies in this proceeding are intended to produce the cost of a single average unit, and this is accomplished by the use of a survivor curve input that avoids forecasting retirements which must be replaced by the introduction of new investment.

(5) We find that the number of vintages to be specified for these studies is five (5). This is a result of the Commission's synthesis based on the recommendations of the parties and Staff.

(6) We find that the most accurate maintenance factors for use in CapCost+ are those recommended by Staff (Exhibit Staff-173-P, pages 56-57). Staff's adjustments to the factors used by BA-VA are needed to reflect the most realistic forward-looking situation and to reiterate the Commission's finding in BA-VA's arbitration cases.[4]

(7) We find that the most accurate and best supported administration factor for use in CapCost+ is that proposed by BA-VA (Exhibit Staff-173-P, page 57).

(8) We find that the most accurate and best supported shared cost factor for use in CapCost+ is that proposed by BA-VA (Exhibit Staff-173-P, page 57).

(9) We find that the CapCost+ treatment of present values and demand/cost inflation is acceptable; therefore, we decline to adopt the alternative methodologies proposed by VCTA.

[3] To determine the cost for a NID, we choose to rely on the Hatfield Model as recommended by Staff.

[4] Page 5 of Order Resolving Wholesale Discount for Resold Services entered November 8, 1996, in Case Numbers PUC960100, PUC960103, PUC960104, PUC960105, and PUC960113.

D. Loop Investment Determinations

This section specifies the Commission's findings concerning loop investments. Loop costs shall be determined by incorporating the requirements of Sections B and C above.

(1) BA-VA shall revise as necessary and rerun sufficient of its models to ensure results that incorporate the correct processing of each of the following methods and input numbers.

(2) The ISDN loop investment increment as determined by BA-VA shall be used as is. This is intended to reflect the BA-VA methodology, which determines an ISDN additive on top of a two-wire loop, and includes the use of an 85% fill factor for the ISDN electronics.

(3) The four-wire loop investment shall be determined according to the Staff-recommended methodology (Exhibit Staff-173-P, page 80), i.e., incorporating all Commission modifications to the two-wire loop and including the use of a factor of .89 to adjust average loop length to the length of a four-wire loop.

(4) The DS-1 loop investment as determined by BA-VA shall be used as it stands in this record. This is intended to reflect the BA-VA methodology, which includes the use of an 85% fill factor for the DS-1 electronics.

(5) The cost and price of XDSL (ADSL and HDSL) loops are not part of this proceeding, as determined in the March 21, 1997, Order Prescribing Additional Issues at page 3. The Commission finds that these kinds of loops are not now "network elements," as defined in the Act, because they are not part of any service offered to the general public.

(6) BA-VA's proposed method for loading supporting structure (poles and conduit) investment onto the loop cable investment (Exhibit ERB-27-P, Exhibit 1, page 7) is found to be satisfactory as it stands in this record. There was a failure to propose an alternative to this method, and the Commission accepts the BA-VA method as the only one supported by the record.

(7) The Commission agrees with AT&T/MCI that no cable fill factor, or any other fill factor, should directly or indirectly affect land and buildings investment loadings. BA-VA may use its land and buildings factor as it stands in this record (Exhibit ERB-27-P, Exhibit 1, page 7) to include those investments in loop investments, where such investment is required for housing various loop electronics, but it may not be increased by any fill factor adjustment.

(8) BA-VA shall adhere to the definition and factors immediately below to reflect the investment necessitated by spare loop facilities:

- The definition of fill factor shall be the quotient of dividing total capacity into the amount of capacity in use and assigned for use, with divisor and dividend expressed in the units by which the network element's capacity is measured.
- Distribution cable investment shall reflect a fill factor of 50%. BA-VA shall make the necessary modifications in its model to ensure that its f2/f1 method is overridden, that distribution fill is not multiplied by feeder fill, and that a fill factor of 50% is correctly reflected in this investment.
- Copper feeder cable investment shall reflect a fill factor of 77%.
- Fiber feeder cable investment shall reflect a fill factor of 90%.
- DLC electronics investment shall reflect a fill factor of 85%.
- ISDN loop electronics investment shall reflect a fill factor of 85%.
- DS-1 loop electronics investment shall reflect a fill factor of 85%.

(9) Loop investments shall be determined by using a copper-fiber breakpoint of 9,000 feet.

(10) BA-VA's determination of cable costs shall be recomputed to reflect the TPI correction recommended by both AT&T/MCI (Exhibit MRB-132-P, page 6) and Staff.

(11) NGDLC investment shall be determined as proposed by BA-VA; this is intended to include the estimate of the mix of IDLC and UDLC as proposed by BA-VA.

(12) BA-VA shall use its proposed minimum cable size of 50 pairs in its study reruns. The Commission is aware that smaller cable sizes are sometimes used in the provision of loops, but finds that the effect of this estimate is not sufficient to warrant the complete model overhaul that would be necessitated to reflect smaller cable sizes.

E. Loop Price Groups/NID

(1) Loop prices shall be deaveraged into the three groups proposed by Staff (Exhibit Staff-175, pages 17-19). We find that this arrangement is most closely related to loop costs; and, therefore, it is the best reflection in this record of the Act's requirement to base network element prices on costs.

(2) We adopt the Staff's recommended methodology for determining the price of a NID (Exhibit Staff-173-P, page 82). Staff shall determine the NID price using applicable inputs set forth in this Order.

F. End Office Switching Investment and Rate Structure

This section specifies the Commission's findings concerning end office switching investment. End office switching costs shall be determined by incorporating the requirements of Sections B and C above.

(1) BA-VA shall rerun sufficient of its models to ensure the correct processing of each of the following methods and input numbers. The final prices for these elements shall reflect the Commission's findings on all factors involved in the price computations.

(2) Port investments, for each type of port, shall be the same as determined by BA-VA and as it stands in this record. There shall be a separate price for each type of port as proposed by BA-VA (Exhibit RWW-35, Exhibit A, page 3). We find that the cost-based pricing specified in the Act requires these separate prices because the costs are significantly different.

(3) The usage rate for end-office switching shall be a per-minute structure and shall include the 26 vertical features currently offered by BA-VA. The usage investment shall be as proposed by BA-VA and include the currently offered 26 vertical features. We find that a proper application of the Act's definition of a network element requires the end-office switching element to include only these features.

(4) Switching equipment price discounts shall reflect a mix of 85% replacement, 15% add-on equipment purchases. We find that this mix is the best available incorporation of the necessary forward-looking technique appropriate for this proceeding.

(5) Land and buildings investment loadings shall be computed by using the BA-VA-proposed factor as it stands in this record. No party proposed an alternative factor, but the Commission finds that land and building investment loadings are necessary, and BA-VA's factor is the only one supported in this record.

(6) Vertical features investment shall reflect the presence of the 26 features currently offered by BA-VA. Henceforth, before BA-VA will be permitted to offer any new vertical feature(s) to any customer, general public or carrier, it will be required to file a price for such feature(s), developed consistent with this Order, and notify all certificated CLECs 30 days in advance of the offering. In the event that a CLEC requests a new vertical feature before BA-VA plans to offer it, such request shall be treated as a new negotiation under the Act.

(7) Investment required for custom routing shall be the same as that underlying the Staff-proposed prices (Exhibit Staff-175, page 29). We find that this approach is the best available incorporation of the forward-looking approach appropriate in this proceeding.

(8) The End Office switching rate structure shall reflect separate prices for originating traffic and terminating traffic, as proposed by BA-VA (Exhibit RWW-35, Exhibit A, page 3). We find that the cost-based pricing specified in the Act requires such a pricing structure because originating and terminating costs are significantly different.

(9) The Local Call Termination rate structure shall reflect per-minute rates for traffic terminating in the BA-VA local calling areas. To be consistent with § 251(g) of the Act, we find that flat-rate, LATA-wide rates are not appropriate.

(10) Application of the local call termination rates shall remain the same as the Commission determined in the BA-VA arbitration cases.

G. Transport Rate Structure and Rate Determination

This section specifies the Commission's findings concerning transport and tandem switching investments. Transport and tandem switching costs shall be determined by incorporating the requirements of Sections B and C above.

(1) BA-VA shall revise as necessary and rerun sufficient of its models to ensure the correct incorporation of each of the following rate structure and rate determination principles. The final prices for these elements shall reflect the Commission's findings on all factors involved in the price computations.

(2) The common transport price shall not be distance sensitive but shall be determined with a per-minute structure to reflect the average distance covered by the transmission.

(3) Dedicated transport prices shall not be distance sensitive but shall consist of the transport facility separate from the terminal elements (e.g., multiplexing, digital cross connect, etc.). This definition is adopted to comply with the Act's requirement that network elements be unbundled at "technically feasible" points (47 U.S.C. § 251(c)(3)).

(4) Common transport shall be defined as transport that is shared by more than one carrier, regardless of whether a tandem switch is involved. Common transport may exist between end offices.

(5) A tandem switching rate shall be applied only when a tandem switch is involved in the transport. The Commission finds that there is no need for a tandem switched transport rate.

(6) Entrance facilities and digital cross-connect functions shall be defined as separate rate elements, consistent with the BA-VA studies, to comply with § 251(c)(3) of the Act, as discussed in (3), above.

(7) "Local" call termination shall be defined as involving local traffic terminating in BA-VA's local calling areas, not LATA-wide areas. The Commission finds that this is necessary to be consistent with § 251(g) of the Act (47 U.S.C. § 251(g)).

H. Other Network Elements

(1) Signaling and Databases, Operator Services (including Directory Assistance), and Operations Support Systems - Even though no substantiation was given by BA-VA for its models and pricing of elements in these areas, the Commission, lacking an alternative proposal by the other parties, finds that BA-VA's methodology, together with the Commission's requirements in Sections B and C above, shall be used to determine these prices.

(2) Daily Usage File ("DUF") - All DUF charges shall be calculated as recurring because they are related to capital costs. Therefore, BA-VA shall recalculate these charges, using the Commission's requirements in Sections B and C above.

(3) LIDB (Line Information Database) and Direct Access - BA-VA's methodology with the Commission's requirements in Sections B and C above shall be used to determine these prices.

I. Collocation

(1) BA-VA's collocation tariff rates, filed in this case on March 26, 1997, shall be applicable in this case, except as noted below, because no sufficient alternative was offered. The Commission finds that BA-VA's cost support for these rates is insufficient to determine whether these rates are based on total, forward-looking, long-run, incremental costs.

(2) Based on Staff's recommendation, the recurring prices for collocation elements (Exhibit Staff-175, pages 8-9) shall be recomputed by first reducing the BA-VA determined costs by 30%, then adding common overhead costs by using the Staff's recommended 8.01% loading factor.

(3) BA-VA shall permit collocators to provide their own physical collocation infrastructure through subcontractors, in accordance with the FCC's Rules (47 C.F.R. § 51.323(j)). BA-VA shall revise its collocation tariff to incorporate this requirement.

(4) BA-VA's proposed prices for Cage Construction, Room Construction, AC Outlets, and Overhead Lighting that it supplies are acceptable because collocators shall be permitted to self-provide these elements, according to (3), above.

(5) BA-VA's proposed prices for Cable Racking, Cable Installation, and Virtual Collocation shall be applicable in this case because no other party presented evidence sufficient to alter BA-VA's estimates.

J. Interim Number Portability

BA-VA was the only party to submit a cost study methodology for Interim Number Portability. The Commission, lacking an alternative proposal by the other parties, adopts the Staff's modification of BA-VA's methodology found in the Staff Brief filed on September 9, 1997, at page 76. BA-VA shall recalculate the rate with and without transport, using investment proposed by BA-VA and the Commission's prescribed common inputs (Sections B and C above). The INP service order charge shall be recomputed to conform to Section K below.

Parties may submit comments concerning the appropriate cost recovery mechanism to be used to recover INP costs among ILECs and CLECs on or before July 6, 1998. Unless the comments convincingly indicate a need for an industry task force on recovery, the Commission may dispense with such a task force and fashion a cost recovery mechanism.

K. Non-Recurring Charges

There is a lack of comprehensive support for many of BA-VA's proposed prices, but the Commission notes that no other party offered better-supported alternatives for these prices. BA-VA shall recompute its non-recurring charges incorporating the revisions specified below and the 8.01% common overhead loading specified elsewhere in this Order.

(1) BA-VA shall recompute all of its labor rate and levelization determinations to incorporate the Staff's recommendation to apply a productivity adjustment in year one of the data projections, using the Commission's overall cost of capital of 10.12% as the discount rate. These changes shall also apply to the non-recurring charges associated with the collocation elements set forth in Exhibit Staff-175 at pages 8-9.

(2) BA-VA shall recompute its service order costs by adopting the Staff's recommended projections of percent manual effort, which are 100%, 70%, 45%, 25%, and 5%, beginning with year 1 and continuing through year 5.

(3) BA-VA shall recompute its installation costs and coordinated cutover with inputs modified as follows:

- The work time labeled "assignment" shall be eliminated because the Commission finds that CLECs will be able to perform this activity for themselves.
- The work time labeled "locate terminal" shall be eliminated from premises visit costs because the Commission finds that travel time should cover this activity.
- The work time for "dispatch and closeout" shall be reduced by half because the Commission finds that the use of craft access terminals should permit such a reduction.
- The work time labeled "frame attendant" shall be eliminated because the Commission finds that this activity is covered by CSC maintenance.
- The work time labeled "RCMAC" shall be eliminated because the Commission finds that this activity is not attributable to CLECs, but it is caused by the presence of retail customers in general.

(4) All costs associated with disconnect activities shall be separated from connect costs and used to create new disconnect charges for the same elements as Staff recommended (Exhibit Staff-173-P, p. 144, including the ISDN PRI port and the DID port). This also applies to the Intellimux elements for DS-0 and DS-1 (Exhibit Staff-175, p. 6).

(5) The Commission declines to require the audit and true-up procedure recommended by Staff.

(6) The Commission finds that the cost of an initial directory listing is covered by other network elements, and no charge shall be applied to an initial directory listing; however, additional (tariffed) directory listings are not network elements as defined by § 153(29) of the Act. Such additional listings shall be provided to requesting carriers at the tariff rate less BA-VA's wholesale discount.

(7) The Commission has considered and rejected MFS's proposal to eliminate the price of customer-specified signaling.

L. Miscellaneous

Finally, an issue was raised by AT&T in its Brief at page 157 regarding provisions in BA-VA's collocation tariff "that could work to impose unnecessary costs upon collocators." This case deals only with pricing, and the Commission will consider the issue raised by AT&T in another docket.

ACCORDINGLY, IT IS THEREFORE ORDERED THAT:

(1) BA-VA shall re-run its cost studies using the criteria and directives set out above and furnish the results and accompanying work papers on loops, switching, and transport to the Commission, Staff, and all parties on or before June 8, 1998. The results and accompanying work papers relating to the re-run cost studies for all other elements shall be furnished to the same group listed above on or before June 22, 1998.

(2) Staff shall determine the price of a NID using applicable inputs set forth in this Order and furnish the results and accompanying work papers to the Commission and all parties on or before June 22, 1998.

(3) Parties shall file an original and fifteen (15) copies of comments relating to BA-VA's results and the Staff's NID price by July 6, 1998.

(4) Staff shall evaluate the re-run cost studies and report its findings to the Commission by July 21, 1998.

(5) With regard to Interim Number Portability, comments shall be allowed as set out above.

THERE BEING NOTHING FURTHER to come before the Commission at this time regarding this matter, this case shall be continued generally.

CASE NO. PUC970010
FEBRUARY 9, 1998

APPLICATION OF
BELL ATLANTIC-VIRGINIA, INC.
and
WINSTAR WIRELESS OF VIRGINIA, INC.

For approval of an interconnection agreement under Section 252(e) of the Telecommunications Act of 1996

ORDER APPROVING AMENDMENT

On November 21, 1997, Bell Atlantic-Virginia, Inc. ("BA-VA") and WinStar Wireless of Virginia, Inc. ("WinStar") (collectively "the Companies") submitted Amendment No. 2 to their Interconnection Agreement for Commission approval, pursuant to § 252(e) of the Telecommunications Act of 1996 ("the Act") 47 U.S.C. § 252(e). The Amendment sets forth the terms and conditions for the provision of Operations Support Systems. By letter of November 21, 1997, BA-VA furnished notice to interested parties.

The Commission has constitutional and statutory duties to regulate the operations of telecommunications public service companies to assure conformance to the public interest. See Va. Const. Art. IX sec. 2 and § 56-35 of the Code of Virginia. This authority has been reaffirmed by the enactment of § 56-235.5.B and § 56-265.4:4.C.1. Whether the Commission is authorizing alternative forms of regulation or certificating competitive providers, it must assure the continuation of quality local exchange service and protect the public interest. Notwithstanding their negotiated agreement, BA-VA, WinStar, and all other providers of local exchange service must comply with all statutory standards and Commission rules and regulations.

Counsel for BA-VA, by letter of November 21, 1997, served a copy of the Amendment on the modified service list in this case as defined in the Commission's Procedural Rules for Implementing §§ 251 and 252 of the Telecommunications Act of 1996, as adopted in Case No. PUC960059, 20 VAC 5-400-190, ("procedural rules"). Comments were to be filed on or before December 12, 1997 and none were received.

Pursuant to the provisions of § 252(e)(2)(A) of the Act, the Commission may reject the proposed Amendment only if it is found to be inconsistent with the public interest, convenience and necessity or if it is found discriminatory to other carriers. Since there is no indication that the Amendment violates any of those standards, the Commission finds that the Amendment should be approved. It should not, however, be viewed as Commission precedent for other agreements or any statement of generally available terms submitted by BA-VA. The Amendment is directly binding only upon BA-VA and WinStar. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) Pursuant to the Commission's authority to regulate public service companies as authorized by the Virginia Constitution, Art. IX § 2 and § 56-35 of the Code of Virginia, the interconnection agreement amendment submitted by BA-VA and WinStar is hereby approved as complying with § 252(e) of the Act.

(2) Pursuant to § 252(h) of the Act, a copy of this amendment to the Agreement shall be kept on file in the Commission's Division of Communications for inspection by the public.

(3) This matter is continued generally for the consideration of any subsequent revisions or amendments to the Agreement.

CASE NO. PUC970023
FEBRUARY 17, 1998

APPLICATION OF
CRG INTERNATIONAL OF VIRGINIA, INC., d/b/a NETWORK ONE

For a certificate of public convenience and necessity to provide local exchange telecommunications services

FINAL ORDER

On November 17, 1997, CRG International of Virginia, Inc. d/b/a Network One ("CRG" or "Applicant") filed a completed application for a certificate of public convenience and necessity ("certificate") requesting authority to provide local exchange telecommunications services throughout the Commonwealth of Virginia.

By Order dated December 17, 1997, the Commission directed the Applicant to provide notice to the public of its application, directed the Commission Staff to conduct an investigation and file a report, and scheduled a public hearing to receive evidence relevant to CRG's application. By Order dated January 16, 1998, the Commission granted a motion by CRG to revise the procedural schedule and to permit the Applicant to provide additional notice of its application.

On February 5, 1998, the Staff filed its report finding that CRG's application was in compliance with the Commission's Rules for Local Exchange Telephone Competition, as adopted in Case No. PUC950018. Accordingly, the Staff recommended granting a local exchange certificate to CRG.

A hearing was conducted on February 10, 1998. CRG filed proof of publication and proof of service as required by the December 17, 1997 and January 16, 1998 scheduling orders. At the hearing, the application, with accompanying exhibits, and the Staff Report were entered into the record without objection.

Having considered the application and the Staff Report, the Commission finds that such application should be granted. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) CRG International of Virginia, Inc. d/b/a Network One is hereby granted a certificate of public convenience and necessity, No. T-401, to provide local exchange telecommunications service subject to the restrictions set forth in the Commission's Rules for Local Exchange Telephone Competition, § 56-265.4:4 of the Code of Virginia, and the provision of this Order.

(2) CRG shall provide tariffs to the Division of Communications which conform with all applicable Commission rules and regulations.

(3) There being nothing further to come before the Commission, this case shall be dismissed and the papers placed in the file for ended causes.

CASE NO. PUC970028
JULY 7, 1998

PETITION OF
BELL ATLANTIC-VIRGINIA, INC.
and
INTERMEDIA COMMUNICATIONS, INC.

For approval of an interconnection agreement under § 252(e) of the Telecommunications Act of 1996

ORDER APPROVING AGREEMENT

On June 19, 1997, the Commission entered an Order Conditionally Approving Agreement in this case requiring certain amendments to the agreement. Bell Atlantic-Virginia, Inc.("BA-VA") and Intermedia Communications, Inc. ("ICI") filed an amendment to the agreement on July 21, 1997. On July 30, 1997, the Commission entered an Order Approving Agreement subject to the requirement that any future negotiations that result in a different or new arrangement for interconnection, services, or network elements under § 251 of the Telecommunications Act of 1996 ("the Act") be submitted to the Commission for approval under § 252(e) of the Act. BA-VA and ICI filed a second amendment containing certain revisions to the agreement on May 26, 1998. The Commission has reviewed the parties' amendment. The Commission finds that the amendment should be approved pursuant to § 252(e) of the Act.

Accordingly, IT IS ORDERED THAT:

(1) The amendment is approved under § 252(e) of the Act. Any future negotiations that result in a different or new arrangement for interconnection, services, or network elements under § 251 of the Act shall be submitted to the Commission for approval under § 252(e) of the Act.

(2) Pursuant to § 252(h) of the Act, a copy of the agreement and the two amendments shall be kept on file with the Commission's Division of Communications for inspection by the public.

(3) This case shall remain open to receive any further amendments to the interconnection agreement.

CASE NO. PUC970029
FEBRUARY 12, 1998

MOTION TO REJECT AND PETITION OF
PAYTEL COMMUNICATIONS, INC.
PEOPLES TELEPHONE COMPANY, INC.
PHON TEL TECHNOLOGIES, INC.,
and
COMMUNICATIONS CENTRAL, INC.

For rejection of and investigation of tariffs filed by Virginia local exchange carriers pursuant to § 276 of the Telecommunications Act of 1996

ORDER AUTHORIZING INTERIM RATE REDUCTIONS BY BELL ATLANTIC-VIRGINIA, INC.

On December 30, 1997, Bell Atlantic-Virginia, Inc. ("BA-VA") filed tariff revisions that would reduce the rates for two optional features for pay telephone lines.[1] The first reduced the rate for line side answer supervision from $1.50 to $0.15 per month and the second eliminated the charge for call screening, which had been priced at $1.50 per month. BA-VA proposed that the effective date for these rate reductions would be January 6, 1998.

In accordance with the Commission's order of March 28, 1997, which established this case, the Commission has determined that these revised rates may continue in effect subject to investigation and refund in the event the Commission determines that different rates should have been imposed. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) BA-VA's rate reductions which went into effect on January 6, 1998, may continue in effect on an interim basis subject to investigation and refund if the Commission determines that different rates should be imposed.

(2) BA-VA shall maintain detailed billing accounts for the interim rates authorized to take effect. Such accounts shall be used to rebill customers if the Commission ultimately approves different rates.

[1] BA-VA's transmittal letter stated that credits will be provided to customers back to April 15, 1997.

CASE NO. PUC970047
JANUARY 14, 1998

APPLICATION OF
VYVX OF VIRGINIA, INC.

For a certificate of public convenience and necessity to provide interexchange telecommunications services and to have its rates determined competitively

ORDER GRANTING INTEREXCHANGE CERTIFICATE

On April 23, 1997, VYVX of Virginia, Inc. ("VYVX" or "Company") filed an application seeking authority to provide "intrastate interLATA telecommunications services" and to have the rates for those services "based on competitive factors," pursuant to §§ 56-265.4:4 B and 56-481.1 of the Code of Virginia. The Company's application further sought authority to "construct, acquire, extend, and operate equipment and facilities to be used in the operation of an intrastate telecommunications public utility." Based on the application and applicable law, the Commission has determined that VYVX is also seeking, and requires, certification pursuant to § 56-265.2 of the Code of Virginia to construct its proposed telecommunications facilities.

On May 30, 1997, the Commission entered an Order directing the Company to publish notice of its application to provide interexchange telecommunications services and to have the rates for those services determined competitively. The Company has filed with the Clerk of the Commission proof of publication of the prescribed notice.

The Commission received two objections to the Company's application, but neither objection touched upon the application to provide service. Rather, each of the objections was to VYVX's facilities construction, which shall be addressed by separate order.

Upon consideration of that part of its application that requests issuance of a certificate of public convenience and necessity to provide intrastate interexchange telecommunications services, the lack of any objection thereto, review of the pleadings and the advice of its Staff, the Commission is of the opinion that the application should be granted to that extent. Accordingly, IT IS ORDERED THAT:

(1) VYVX of Virginia, Inc. is hereby granted a certificate of public convenience and necessity, No. TT-42A, to provide interexchange services subject to the restrictions set out in the Commission's Rules Governing the Certification of Interexchange Carriers and in § 56-265.4:4 of the Code of Virginia.

(2) VYVX of Virginia, Inc. shall provide tariffs to the Division of Communications that conform with the Commission's Rules and Regulations.

(3) Pursuant to § 56-481.1, VYVX may price its interexchange services competitively.

(4) The Company's application for authority to construct facilities shall be considered separately.

CASE NO. PUC970047
OCTOBER 8, 1998

APPLICATION OF
VYVX OF VIRGINIA, INC.

For a certificate of public convenience and necessity to provide interexchange telecommunications services and to have its rates determined competitively

ORDER ON REQUEST FOR CERTIFICATE AND FOR RULE TO SHOW CAUSE

On April 23, 1997, Vyvx of Virginia, Inc. ("Vyvx" or "Company") filed an application seeking authority to provide "intrastate interLATA telecommunications services" and to have the rates for those services "based on competitive factors," pursuant to §§ 56-265.4:4 B and 56-481.1 of the Code of Virginia. The Company's application further sought authority to "construct, acquire, extend, and operate equipment and facilities to be used in the operation of an intrastate telecommunications public utility." The facilities proposed in the application consisted of an underground fiber optic telecommunication line traversing the Commonwealth from south of Danville to a point near Manassas, representing the Virginia portion of a line that originated in Houston, Texas.

On September 23, 1997, the Commission entered an Order directing Vyvx to respond to complaints that had been lodged against its application and to address other questions set forth in the Order. The Order required Vyvx to declare the authority it asserted it possessed to acquire property by use of the power of eminent domain for the construction of the facilities proposed in the application.

On October 1, 1997, the Company filed its response, reiterating the need for a certificate of public convenience and necessity under § 56-265.2 of the Code of Virginia, and alleging its authority to exercise the power of eminent domain. On October 17, 1997, the Commission Staff filed a motion requesting the Commission to enter an order finding that Vyvx required certifications from the Commission both for its provision of telephone service in the Commonwealth and for the construction of the facilities to provide such service. The Staff motion further asserted that Vyvx may not exercise eminent domain before it receives a certificate from the Commission finding the necessity for the construction of the proposed facilities.

Based on the application and the foregoing pleadings, the Commission, by its Order of November 25, 1997, found that, "Vyvx is not yet 'lawfully authorized to operate' anywhere in the Commonwealth and . . . its proposed construction is not an ordinary extension or improvement of its facilities, and therefore requires certification," pursuant to Code § 56-265.2.[1] The Order also directed Vyvx to "cease acquisition of property or rights therein, by exercise of, or by implying its right to exercise, eminent domain authority" until the Commission had acted upon the application.

On January 14, 1998, the Commission granted Vyvx a certificate pursuant to Code § 56-265.4:4 to provide interexchange services, subject to the Commission's rules for such services, and permitted the Company to price its services competitively. This Order stated that the facilities construction application would be addressed separately.

On January 26, 1998, Vyvx asked permission to amend its application to include proposed construction of a lateral extension from its proposed line, to branch off the main line and run into the City of Richmond, passing through the Counties of Fluvanna, Goochland, and Henrico. The requested amendment was permitted by order dated January 28, 1998.

Thereafter, the Commission's Division of Communications received reports, on February 9 and 11, 1998, of damage to Bell Atlantic-Virginia ("BA-VA") telephone cable facilities in Goochland County, Virginia. These cable cuts resulted in outages of telephone service, including 911 service, to several thousand customers for several hours. Upon investigation, it was found that the contractor who cut BA-VA's cable in the course of construction was installing Vyvx' proposed facilities.

On February 12, 1998, the Staff of the Commission ("Staff") filed a Motion for Rule to Show Cause requesting the Commission to enter an order directing Vyvx to show cause why it should not be sanctioned for failure to obey Commission rules and orders regarding the construction of its proposed telecommunications facilities. The Company filed its response to the motion on February 17, 1998, representing that its corporate parent had undertaken the construction of the underground fiber optic line.

[1] This provision makes it "unlawful for any public utility to construct, enlarge or acquire, by lease or otherwise, any facilities for use in public utility service without obtaining certification from the Commission that "the public convenience and necessity require the exercise of such right or privilege[.]"

On May 5, 1998, following the receipt of other pleadings, the Commission issued its Order on Request for Hearing and Rule to Show Cause and set the matters in the Rule and in the Company's application for a certificate of public convenience and necessity pursuant to Va. Code § 56-265.2 for hearing on June 10, 1998.

In response to Commission Orders, on May 21, 1998, the Staff filed a "Statement of Facts and Request for Relief" requesting imposition of a fine against Vyvx for its construction of the facilities in the absence of certification and for revocation of the Company's certificate to provide interexchange services, which was previously granted by Order of January 14, 1998. Vyvx filed responses to the Staff's statement, and the parties filed a Stipulation of Undisputed Facts on June 3, 1998.

The matter was timely heard on June 10, 1998. Appearances were entered, and testimony was received on behalf of the Company, the Staff, and Protestants, Mark Decot and John and Janete Cassell. One public witness, Joanne Shaffer, appeared and testified. The Staff and parties filed post-hearing briefs on July 15 and July 30, 1998.

NOW THE COMMISSION, on the basis of the record herein, deems the Company's application for a certificate of public convenience and necessity under Code § 56-265.2 not to be in the public interest. The Commission finds that the public interest and convenience do not require the exercise by Vyvx of the rights and privileges under this section, all upon the following:

a. By its application filed April 23, 1997, the Company requested authority to construct equipment and facilities to be used in the operation of an intrastate telecommunications public utility, and represented to the Commission that it would "build and operate" the facilities as a public service company; and

b. By the above-referenced Order of November 25, 1997, the Commission found the applicant must be separately certified to provide service and to build the facilities proposed in the application; and

c. By its Order of January 14, 1998, granting Vyvx a certificate to provide interexchange telecommunications services, the Commission reiterated that the Company was also seeking, and was required to obtain, certification pursuant to Code § 56-265.2 in order to construct its proposed facilities, and that this certificate would be addressed by separate order; and

d. The Company sought and obtained permission to amend its application, to include construction of additional facilities; and

e. While all of the above was transpiring, the Company and its corporate parent, without notice to the Commission, and without the requisite authority pursuant to Code § 56-265.2, were constructing, and had essentially completed construction of, the facilities for which such authority was sought; and

f. Such construction was carried out knowingly and by design of the Company[2] and, as admitted in the testimony of its own witnesses in the June 10 hearing before this Commission, such construction had begun as early as September 1997;[3] and

g. The construction of the originally described line and the lateral line described in the amendment is now an accomplished fact.

ACCORDINGLY, the construction of the lines having been completed without the Company's having first obtained a certificate from this Commission that the public convenience and necessity require the exercise by the Company of such right or privilege, and without an opportunity for or actual hearing on the Company's application as contemplated by Code § 56-265.2 prior to such construction, the Commission finds that no certificate of public convenience and necessity could be meaningful under these circumstances.

In consideration of all of the above, we find that:

(1) Vyvx has failed and refused to obey the Commission's orders of November 25, 1997, and January 14, 1998, in that those Orders found that receipt of certification from this Commission was a necessary requisite to construction of the proposed facilities.

(2) The misrepresentations and misstatements in the application do not relate to the Company's ability to provide interexchange services. Rather, these statements apply to that part of the application in which Vyvx requests a certificate to construct facilities.

Accordingly, IT IS ORDERED as follows:

(1) The request of the Staff that we revoke Vyvx' certificate to provide interexchange services is denied;

(2) The application of Vyvx for a certificate of public convenience and necessity to construct telecommunications facilities is denied;

(3) Vyvx shall be fined the sum of $197,000,[4] pursuant to Code § 12.1-33, of which $175,000 is suspended, conditioned upon the applicant not violating any order or rule of the Commission or any statutes of the Commonwealth of Virginia for a period of 5 years from the date of entry of this Order, and the payment of costs ordered herein;

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[2] We reject Vyvx' contention that it should be absolved because the construction was actually undertaken by its affiliate. The record reflects that Vyvx obtained the land rights for the project, and an underground facility cannot be built without such rights to land. We find that Vyvx acted in concert with its affiliate in the construction of the facility.

[3] Indicating that by the application of April 23, 1997, Vyvx was indeed seeking permission to construct, rather than to acquire, facilities.

[4] Representing the fine of $1,000 per day for each day's violation commencing November 25, 1997, and ending June 10, 1998, the day of the hearing herein.

(4) Vyvx shall reimburse the Commonwealth all costs of this proceeding related to its application for a construction certificate pursuant to § 56-265.2, and Staff shall file a bill of such costs with the Commission on or before October 21, 1998;

(5) Such fines and costs shall be paid by Vyvx on or before December 31, 1998; and

(6) This matter is continued for further orders of the Commission.

CASE NO. PUC970047
DECEMBER 11, 1998

APPLICATION OF
VYVX OF VIRGINIA, INC.

For a certificate of public convenience and necessity to provide interexchange telecommunications services and to have its rates determined competitively

ORDER ON APPLICATION FOR SUSPENSION OF ORDER

Vyvx of Virginia, Inc. ("Company") has applied for a suspension of the Commission's Order on Request for Certificate and for Rule to Show Cause, dated October 8, 1998. The Company has filed for an appeal of this order and requests being relieved of paying the fine imposed on it by that order until the appeal is concluded.

The Company has cited a provision of the Code of Virginia, § 8.01-676.1 H, that permits the Commission to suspend a judgment, order or decree if "necessary for the proper administration of justice but only upon the written application . . . notice to all other parties in interest and the filing of a suspending bond or irrevocable letter of credit[.]"

NOW THE COMMISSION, being sufficiently advised, is of the opinion that the application should be, and it hereby is, GRANTED, upon the filing of a bond or irrevocable letter of credit by the Company in the amount of $197,000, the amount of the fine imposed herein.

CASE NO. PUC970052
FEBRUARY 3, 1998

APPLICATION OF
BELL ATLANTIC-VIRGINIA, INC.
and
C-TEC SERVICES, INC.

For approval of an interconnection agreement under Section 252(e) of the Telecommunications Act of 1996

ORDER APPROVING AMENDMENT

On November 5, 1997, Bell Atlantic-Virginia, Inc. ("BA-VA") and C-TEC Services, Inc. ("C-TEC") filed an Amendment No. 2 to an interconnection agreement, which had been approved by the Commission on March 24, 1997, between BA-VA and C-TEC. The purpose of the instant application is to reflect corporate structural changes to C-TEC, and the subsidiaries by which it does business in the Commonwealth. No substantive changes have been proposed in the agreement. The parties filed this application in Case No. PUC960162, which is a closed case. On April 24, 1997, the parties to this agreement filed a previous amendment to their interconnection agreement in the closed case and, by order of July 23, 1997, (ordering paragraph No. 4) were directed to file subsequent amendments in Case No. PUC970052, this case. The parties are again urged to file amendments properly.

We have again assigned the requested amendment for review under Case No. PUC970052. Counsel have represented that the notice of filing was served in accordance with the Commission's Procedural Rules for Implementing §§ 251 and 252 of the Telecommunications Act of 1996 as adopted in Case No. PUC960059 ("procedural rules"). According to the procedural rules comments were to be filed within 21 days of the filing of the agreement. None were filed.

Under § 252(e)(2)(A) of the Act, the Commission may only reject an interconnection agreement adopted by negotiation if it finds that (1) the agreement discriminates against another carrier; or (2) implementation of the agreement is not consistent with the public interest, convenience or necessity. It is none of these.

IT IS THEREFORE ORDERED that:

(1) Pursuant to the Commission's authority to regulate public service companies as authorized by the Virginia Constitution, Art. IX, § 2, and Va. Code § 56-35, the Amendment No. 2 is hereby approved pursuant to § 252(e) of the Act.

(2) Any future negotiations that result in a different or new arrangement for interconnection services, or network elements under § 251 of the Act, shall be submitted to the Commission for approval under § 252(e) of the Act.

(3) Pursuant to § 252(h) of the Act, a copy of the Amendment No. 2 shall be kept on file with the Commission's Division of Communications for inspection by the public.

(4) This case, Case No. PUC970052, shall remain open for the purpose of receiving any amendments to the original interconnection agreement or any of its amendments or addendums.

CASE NO. PUC970065
JANUARY 30, 1998

COMMONWEALTH OF VIRGINIA, ex rel.
UNITED STATES NAVY-NAVY EXCHANGE SERVICE CENTER,
Petitioner
v.
BELL ATLANTIC-VIRGINIA, INC.,
Respondent

FINAL ORDER

On May 30, 1997, Telstar Resource Group, Inc. filed a complaint on behalf of the United States Navy-Navy Exchange Service Center ("NESC") seeking Commission review of a determination by the Commission's Division of Communications that Bell Atlantic-Virginia, Inc. ("BA-VA") was in compliance with its Virginia Local Exchange Service Tariff No. 202, Section 1, B.6 in refusing to permit NESC to mix measured and flat-rate telephone service.

By Order of October 9, 1997, the Commission docketed this matter, invited a response from BA-VA, and directed the parties to file a stipulation of uncontested facts and to advise the Commission if an evidentiary hearing were needed. BA-VA filed its Motion to Dismiss Petition and Answer to Petition on November 10, 1997. On November 19, 1997, Telstar Resource Group advised the Commission that, on behalf of NESC, the complaint was being withdrawn.

The Commission finds that, the complaint having been withdrawn, this matter should be dismissed and the record developed herein be placed in the file for ended causes.

CASE NO. PUC970073
FEBRUARY 3, 1998

APPLICATION OF
UNITED TELEPHONE-SOUTHEAST, INC.
and
CENTRAL TELEPHONE COMPANY OF VIRGINIA

For approval of an interconnection agreement under § 252(e) of the Telecommunications Act of 1996 with 360° Communications Company

ORDER APPROVING AGREEMENT

On November 5, 1997, United Telephone-Southeast, Inc. and Central Telephone Company of Virginia ("United/Centel" or "Companies") filed a revised interconnection agreement with 360° Communications Company ("360°"). The original interconnection agreement was dated May 12, 1997, and was approved by Commission order entered September 17, 1997.

The Commission has constitutional and statutory duties to regulate the operations of telecommunications public service companies to assure conformance to the public interest. See Va. Const. Art. IX sec. 2 and § 56-35 of the Code of Virginia. This authority has been reaffirmed by the enactment of § 56-235.5 B and § 56-265.4:4 C 1. Whether the Commission is authorizing alternative forms of regulation or certificating competitive providers, it must assure the continuation of quality local exchange service and protect the public interest. Notwithstanding their negotiated agreement, United/Centel, 360°, and all other providers of local exchange service must comply with all statutory standards and Commission rules and regulations.

Counsel for United/Centel indicated that a copy of the revised Agreement was served on the modified service list in this case as defined in the Commission's Procedural Rules for Implementing §§ 251 and 252 of the Telecommunications Act of 1996, as adopted in Case No. PUC960059, 20 VAC 5-400-190, ("procedural rules"). Comments were to be filed on or before November 26, 1997, and none were received.

The Commission finds that the Agreement should be approved pursuant to the standards of § 252(e)(2)(A) of the Act. The Agreement does not discriminate against other carriers and conforms to § 252(i) in that it is available to other carriers. It should not, however, be viewed as Commission precedent for other agreements. The revised Agreement is directly binding only on United/Centel and 360°. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) Pursuant to the Commission's authority to regulate public service companies as authorized by the Virginia Constitution, Art. IX § 2 and § 56-35 of the Code of Virginia, the revised interconnection agreement submitted by United/Centel and 360° is hereby approved as complying with § 252(e) of the Act.

(2) Pursuant to § 252(h) of the Act, a copy of this Agreement shall be kept on file in the Commission's Division of Communications for inspection by the public.

(3) This matter is continued generally for the consideration of any subsequent revisions or amendments to the agreement.

CASE NO. PUC970129
JULY 24, 1998

APPLICATION OF
BELL ATLANTIC-VIRGINIA, INC.
and
VIC-RMTS-DC, LLC d/b/a ONEPOINT COMMUNICATIONS, LLC

For approval of an interconnection agreement under § 252(e) of the Telecommunications Act of 1996

ORDER APPROVING AMENDMENT

On June 3, 1998, Bell Atlantic-Virginia, Inc. ("BA-VA") and VIC-RMTS-DC, LLC, d/b/a OnePoint Communications, LLC, ("OnePoint") (collectively "the Companies") submitted Amendment No. 1 to their interconnection agreement, approved herein on November 6, 1997. The amendment is dated March 15, 1998, and is submitted for approval pursuant to § 252 of the Telecommunications Act of 1996 ("the Act"), 47 U.S.C. §§ 252.

The Commission has constitutional and statutory duties to regulate the operations of telecommunications public service companies to assure conformance to the public interest. See Va. Const. Art. IX sec. 2 and § 56-35 of the Code of Virginia. This authority has been reaffirmed by the enactment of § 56-235.5.B and § 56-265.4:4.C.1. Whether the Commission is authorizing alternative forms of regulation or certificating competitive providers, it must assure the continuation of quality local exchange service and protect the public interest. Notwithstanding their negotiated agreement, BA-VA, OnePoint, and all other providers of local exchange service must comply with all statutory standards and Commission rules and regulations.

Counsel for the Companies, in their application, noted that they had filed a copy of the application on the modified service list in this case as defined in the Commission's Procedural Rules for Implementing §§ 251 and 252 of the Telecommunications Act of 1996, as adopted in Case No. PUC960059, 20 VAC 5-400-190. Comments were to be filed on or before June 24, 1998, and none were received.

The Commission finds that the Amendment should be approved pursuant to the provisions of § 252(e)(2)(A) of the Act. This approval should not, however, be viewed as Commission precedent for other agreements. The Amendment is directly binding only upon BA-VA and OnePoint. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) Pursuant to the Commission's authority to regulate public service companies as authorized by the Virginia Constitution, Art. IX, § 2 and § 56-35 of the Code of Virginia, the interconnection agreement amendment submitted by BA-VA and OnePoint is hereby approved as complying with § 252(e) of the Act.

(2) Pursuant to § 252(h) of the Act, a copy of this amendment to the Agreement shall be kept on file in the Commission's Division of Communications for inspection by the public.

(3) This matter is continued generally for the consideration of any subsequent revisions or amendments to the Agreement.

CASE NO. PUC970132
JANUARY 14, 1998

APPLICATION OF
CENTRAL TELEPHONE COMPANY OF VIRGINIA
and
UNITED TELEPHONE-SOUTHEAST, INC.

To reclassify IntraLATA Toll Services as Competitive Services Pursuant to Paragraph 4 of Alternative Regulatory Plan

FINAL ORDER

On August 15, 1997, Central Telephone Company of Virginia and United Telephone-Southeast, Inc. (collectively, "Companies") filed their joint application to reclassify certain intraLATA toll services as "Competitive," pursuant to Paragraph 4 of the Companies' Alternative Regulatory Plan ("Plan"). The application was completed on September 17, 1997, coincident with the Companies' providing notices required by Paragraph 4 of their Plan.

By prior order, the Commission established a procedural schedule for this proceeding, including, as required by the Plan, a public hearing on January 7, 1998. One party, Hyperion Telecommunications of Virginia, Inc. ("Hyperion"), filed a protest in this matter. The Companies, Staff and Hyperion prefiled testimony herein. By letter dated December 30, 1997, Hyperion advised of its decision not to participate further in the matter.

The hearing was convened on January 7, 1998, and the testimony of Companies' witness James Schendt and Staff witness Larry J. Cody was admitted into the record without cross-examination. The Companies agreed with all of the Staff's conclusions. Mr. Cody's testimony concluded that the Companies' Long Distance Message Telephone Services and Wide Area Telecommunications Services fit the definition of competitive services contained in sub-paragraph 3.B.1 of the Plan, but that none of the Companies' Optional Calling Plans fit this definition and should remain in the Basic Local Exchange Telephone Services ("BLETS") classification. His testimony further concluded that Operator Assisted calling is not included in the Companies' application, and that the services fitting the competitive definition also comply with the safeguards in Paragraph 12 of the Plan.

The Staff further concluded that the Companies remain subject to § 56-237.1 of the Code of Virginia concerning the customer notification requirements therein.[1] However, the Staff and the Companies agreed that 14-day advance customer notice is reasonable because the Companies' major competitors, the interexchange carriers, have this requirement. Accordingly, IT IS ORDERED that:

(1) Effective January 15, 1998, the services listed in the attached Appendix shall be reclassified from BLETS to Competitive services, pursuant to the Companies' Alternative Regulatory Plan;

(2) The Companies shall, within 14 days, file tariffs reflecting these reclassifications that are effective January 15, 1998;

(3) For any rate increases to the reclassified services, the Companies shall abide by the customer notification requirements provided by Rule 11 of the Rules Governing the Certification of Interexchange Carriers (Case No. PUC850035; order dated July 24, 1995); and

(4) This matter is dismissed.

NOTE: A copy of the Appendix is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

[1] Section 56-237.1 C of the Code of Virginia permits the Commission to modify the filing and notification requirements of § 56-237.1 A and B, as appropriate.

CASE NO. PUC970136
SEPTEMBER 23, 1998

APPLICATION OF
OMC COMMUNICATIONS OF VIRGINIA, INC.

For a certificate of public convenience and necessity to provide local exchange telecommunications service

FINAL ORDER

On February 5, 1998, OMC Communications of Virginia, Inc. ("OMC" or "the Applicant") filed an application for a certificate of public convenience and necessity to provide local exchange telecommunications service throughout the Commonwealth of Virginia.

By order dated March 9, 1998, the Commission directed the Applicant to provide notice to the public of its application, directed the Commission Staff to conduct an investigation and file a report, and scheduled a public hearing to receive evidence relevant to OMC's application.

On April 14, 1998, OMC filed a motion requesting that the Commission suspend the hearing date and procedural schedule in order to allow the Applicant time to consider entering into an agreement with another company. The Commission granted OMC's motion on April 15, 1998, and suspended the hearing date and procedural schedule herein. However, as OMC had already completed publication of the notice required by the March 9, 1998 Order for Notice and Hearing, a hearing was held on April 29, 1998, for the sole purpose of hearing testimony from public witnesses.

On July 16, 1998, OMC notified the Commission Staff that it wished to pursue its application for a certificate of public convenience and necessity, and requested that a new procedural schedule be adopted.

By Order dated July 31, 1998, the Commission scheduled a hearing and directed the filing of a Staff report.

On September 2, 1998, the Staff filed its report finding that OMC's application was in compliance with the Commission's Rules for Local Exchange Telephone Competition, as adopted in Case No. PUC950018, except that OMC did not provide audited financial statements. Based upon its review of OMC's application and unaudited financial statements, the Staff determined it would be appropriate to grant a local exchange certificate to the Applicant subject to two conditions: (1) any customer deposits collected by OMC shall be retained in an unaffiliated third-party escrow account until such time as the Staff or Commission determines is necessary; and (2) OMC shall provide audited financial statements to the Staff no later than one year from the effective date of its initial tariff.

A hearing was conducted on September 16, 1998. OMC filed proof of publication and proof of service as required by the March 9, 1998 scheduling order. At the hearing, the application, with accompanying exhibits, and the Staff Report were entered into the record without objection.

Having considered the application and the Staff Report, the Commission finds that such application should be granted. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) OMC Communications of Virginia, Inc. is hereby granted a certificate of public convenience and necessity, No. T-416, to provide local exchange telecommunications service subject to the restrictions set forth in the Commission's Rules for Local Exchange Telephone Competition, § 56-265.4:4 of the Code of Virginia, and the provisions of this Order.

(2) OMC shall file tariffs with the Division of Communications which conform with all applicable Commission rules and regulations.

(3) OMC shall provide audited financial statements for itself or its parent, OMC Communications, Inc., to the Staff no later than one year from the effective date of its initial tariff.

(4) Any customer deposits collected by OMC shall be retained in an unaffiliated third-party escrow account until such time as the Staff or the Commission determines is no longer necessary.

(5) There being nothing further to come before the Commission, this case shall be dismissed and the papers placed in the file for ended causes.

CASE NO. PUC970137
JANUARY 16, 1998

APPLICATION OF
COX VIRGINIA TELCOM, INC.

To expand service territory for the provision of local exchange service, to change corporate name on local certificate of public convenience and necessity, and for an interexchange certificate of public convenience and necessity with rates to be determined competitively

FINAL ORDER

On August 27, 1997, Cox Virginia Telcom, Inc. ("Cox Virginia") (Formerly Cox Fibernet Commercial Services, Inc.) filed its application seeking authority to expand its certificated local exchange service territory to encompass the entire Commonwealth; to modify the certificate of public convenience and necessity previously granted Cox Fibernet Commercial Services, Inc. to reflect its name change to Cox Virginia Telcom, Inc., and to modify the interexchange certificate of public convenience and necessity previously granted to Cox Fibernet Access Services, Inc. to reflect its merger into Cox Virginia Telcom, Inc. By Commission Order of September 29, 1997 in Case No. PUA970046, the Commission had invalidated the interexchange certificate of Cox Fibernet Access Services, Inc., No. TT-24A.

Subsequently, on October 7, 1997, Cox Virginia filed an application seeking a certificate of public convenience and necessity to provide interexchange telecommunications service throughout the Commonwealth and to have its rates determined competitively in accordance with §§ 56-265.4:4 and 56-461.1 of the Code of Virginia

By Order of October 17, 1997, the Commission granted the request to change the corporate name on the certificate of public convenience and necessity previously granted to Cox Fibernet Commercial Services, Inc. for local exchange service, prescribed notice for the expansion of the service territory of that local exchange certificate, and prescribed notice for Cox Virginia's application seeking a certificate to provide intrastate interexchange telecommunications services with rates to be determined competitively.

That order and the notice published by Cox Virginia stated that if no requests for hearing or substantial objections were received by the deadline, November 21, 1997, the Commission might grant Cox Virginia's applications without conducting a hearing. By order of November 18, 1997, the Commission extended the comment deadline from November 21, 1997 until December 5, 1997.

The December 5, 1997, deadline has now passed. Cox Virginia has filed its proof of notice, and no one filed requests for a hearing or comments opposing the application. Now, having considered the application and the lack of objections, the Commission finds that Cox Virginia's application should be granted. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) The local service territory of Cox Virginia Telcom, Inc., is expanded to encompass the entire Commonwealth of Virginia. Certificate No. T-364a is hereby canceled and reissued as Certificate No. T-364b to reflect the expanded service territory.

(2) Cox Virginia is hereby granted certificate of public convenience and necessity No. TT-43A to provide interexchange services subject to the restrictions set out in the Commission's Rules Governing the Certification of Interexchange Carriers and in § 56-265.4:4 of the Code of Virginia.

(3) Cox Virginia shall provide any necessary tariff revisions to the Division of Communications. Any tariff revisions or filings shall conform with all applicable Commission rules and regulations.

(4) There being nothing further to come before the Commission, this case is dismissed and the papers herein placed in the file for ended causes.

CASE NO. PUC970155
JULY 6, 1998

APPLICATION OF
EASYTEL, INC.

For a certificate of convenience and necessity to operate as a reseller of local exchange services

ORDER DISMISSING CASE

On September 24, 1997, EasyTel, Inc. ("Company") filed its application for a certificate of convenience and necessity to operate as a reseller of local exchange services. At the subsequent request of the Company, action on the application was suspended.

On June 29, 1998, the Company advised it was withdrawing its application. Accordingly, IT IS ORDERED that the matter be dismissed.

CASE NO. PUC970157
JANUARY 5, 1998

APPLICATION OF
FRONTIER TELEMANAGEMENT LLC

For a certificate of public convenience and necessity to provide local exchange telecommunications service

FINAL ORDER

On October 2, 1997, Frontier Telemanagement LLC ("Frontier" or "the Applicant") filed an application for a certificate of public convenience and necessity to provide local exchange telecommunications services in Virginia throughout the service territories of Bell Atlantic-Virginia, Inc., GTE South Incorporated, Central Telephone Company of Virginia, and United Telephone-Southeast, Inc.

By order dated November 6, 1997, the Commission directed the Applicant to provide notice to the public of its application, directed the Commission Staff to conduct an investigation and file a report, and scheduled a public hearing to receive evidence relevant to Frontier's application.

On December 8, 1997, the Staff filed its report finding that Frontier's application was in compliance with the Commission's Rules for Local Exchange Telephone Competition, as adopted in Case No. PUC950018. Accordingly, the Staff recommended granting a local exchange certificate to Frontier.

A hearing was conducted on December 18, 1997. Frontier filed proof of publication and proof of service as required by the November 6, 1997 scheduling order. At the hearing, the application, with accompanying exhibits, and the Staff Report were entered into the record without objection.

Having considered the application and the Staff Report, the Commission finds that such application should be granted. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) Frontier Telemanagement LLC is hereby granted a certificate of public convenience and necessity, No. T-399, to provide local exchange telecommunications service subject to the restrictions set forth in the Commission's Rules for Local Exchange Telephone Competition, § 56-265.4:4 of the Code of Virginia, and the provisions of this Order.

(2) Frontier shall provide tariffs to the Division of Communications which conform with all applicable Commission rules and regulations.

(3) There being nothing further to come before the Commission, this case shall be dismissed and the papers placed in the file for ended causes.

CASE NO. PUC970160
JANUARY 6, 1998

APPLICATION OF
BELL ATLANTIC-VIRGINIA, INC.
and
NEXTEL COMMUNICATIONS OF THE MID-ATLANTIC, INC.

For approval of interconnection agreement under § 252(e) of the Telecommunications Act of 1996

ORDER APPROVING AGREEMENT

On October 8, 1997, Bell Atlantic-Virginia, Inc. ("BA-VA") and Nextel Communications of the Mid-Atlantic, Inc. ("Nextel") filed for Commission approval, pursuant to §§ 251 and 252 of the Telecommunications Act of 1996 ("the Act"), 47 U.S.C. §§ 251 and 252, their interconnection agreement ("Agreement") dated September 4, 1997, and September 18, 1997.

The Commission has constitutional and statutory duties to regulate the operations of telecommunications public service companies to assure conformance to the public interest. See Va. Const. art. IX § 2 and § 56-35 of the Code of Virginia. This authority has been reaffirmed by the enactment of § 56-235.5.B and § 56-265.4:4.C.1. Whether the Commission is authorizing alternative forms of regulation or certificating competitive providers, it must assure the continuation of quality local exchange service and protect the public interest. Notwithstanding their negotiated agreement, BA-VA, Nextel and all other providers of local exchange service must comply with all statutory standards and Commission rules and regulations.

Counsel for BA-VA indicated that a copy of the Agreement was served on the modified service list in this case as defined in the Commission's Procedural Rules for Implementing §§ 251 and 252 of the Telecommunications Act of 1996, as adopted in Case No. PUC960059, 20 VAC 5-400-190, ("procedural rules"). Comments were to be filed by October 29, 1997, and none were received.

Pursuant to the provisions of § 252(e)(2)(A) of the Act, the Commission may reject the proposed Agreement only if it is found to be inconsistent with the public interest, convenience and necessity or if it is found discriminatory to other carriers. Since there is no indication that the agreement violates any of those standards, the Commission finds that the Agreement should be approved. It should not, however, be viewed as Commission precedent for other agreements or any statement of generally available terms submitted by BA-VA. The Agreement is directly binding only upon BA-VA and Nextel. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) Pursuant to the Commission's authority to regulate public service companies as authorized by the Virginia Constitution, art. IX § 2 and § 56-35 of the Code of Virginia, the interconnection agreement submitted by BA-VA and Nextel is hereby approved as complying with § 252(e) of the Act.

(2) Pursuant to § 252(h) of the Act, a copy of this Agreement shall be kept on file in the Commission's Division of Communications for inspection by the public.

(3) This case is continued generally for the consideration of any subsequent amendments or revisions to the Agreement.

CASE NO. PUC970162
JANUARY 8, 1998

APPLICATION OF
BELL ATLANTIC-VIRGINIA, INC.
and
NETEL, INC. d/b/a TEL3

For approval of interconnection agreement under § 252(e) of the Telecommunications Act of 1996

ORDER APPROVING AGREEMENT

On October 14, 1997, Bell Atlantic-Virginia, Inc. ("BA-VA") and Netel, Inc. d/b/a Tel3 ("Tel3") filed for Commission approval, pursuant to §§ 251 and 252 of the Telecommunications Act of 1996 ("the Act"), 47 U.S.C. §§ 251 and 252, their resale interconnection agreement ("Agreement") effective August 30, 1997.

The Commission has constitutional and statutory duties to regulate the operations of telecommunications public service companies to assure conformance to the public interest. See Va. Const. art. IX § 2 and § 56-35 of the Code of Virginia. This authority has been reaffirmed by the enactment of § 56-235.5.B and § 56-265.4:4.C.1. Whether the Commission is authorizing alternative forms of regulation or certificating competitive providers, it must assure the continuation of quality local exchange service and protect the public interest. Notwithstanding their negotiated agreement, BA-VA, Tel3 and all other providers of local exchange service must comply with all statutory standards and Commission rules and regulations.

Counsel for BA-VA indicated that a copy of the Agreement was served on the modified service list in this case as defined in the Commission's Procedural Rules for Implementing §§ 251 and 252 of the Telecommunications Act of 1996, as adopted in Case No. PUC960059, 20 VAC 5-400-190, ("procedural rules"). Comments were to be filed by November 4, 1997, and none were received.

We have one area of concern with the Agreement. Section 30.2 under the heading of "Responsibility for Charges" appears to obligate Tel3 to pay for services provided by parties other than BA-VA regardless of whether Tel3 is paid for those charges by its customers. This agreement between Tel3 and BA-VA does not affect the rights of end users to dispute such charges and does not excuse either company from complying with the Commission's billing and collection rules. Notwithstanding this concern, we find that the Agreement should be approved pursuant to the standards of § 252(e)(2)(A) of the Act. It should not, however, be viewed as Commission precedent for other agreements. The Agreement is directly binding on only BA-VA and Tel3. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) Pursuant to the Commission's authority to regulate public service companies as authorized by the Virginia Constitution, art. IX § 2 and § 56-35 of the Code of Virginia, the interconnection agreement submitted by BA-VA and Tel3 is hereby approved as complying with § 252(e) of the Act.

(2) Pursuant to § 252(h) of the Act, a copy of this Agreement shall be kept on file in the Commission's Division of Communications for inspection by the public.

(3) This case is continued generally for the consideration of any subsequent amendments or revisions to the Agreement.

CASE NO. PUC970163
JANUARY 12, 1998

APPLICATION OF
BELL ATLANTIC-VIRGINIA, INC.
and
JONES TELECOMMUNICATIONS OF VIRGINIA, INC.

For approval of an amended and restated interconnection agreement under Section 252(e) of the Telecommunications Act of 1996

ORDER APPROVING AGREEMENT

On October 14, 1997, Bell Atlantic-Virginia, Inc. ("BA-VA") and Jones Telecommunications of Virginia, Inc. ("Jones") (collectively "the Companies") submitted their Amended and Restated Agreement ("Agreement") dated June 17, 1997, for Commission approval, pursuant to § 252(e) of the Telecommunications Act of 1996 ("the Act") 47 U.S.C. § 252(e). The Companies state in the application that this Agreement is substantially the same

agreement approved by the Commission on August 8, 1996, but was amended and restated in order to track more recent agreements filed with the Commission. BA-VA mailed its transmittal letter and a copy of the application to all interested parties to notify them of the filing.

The Commission has constitutional and statutory duties to regulate the operations of telecommunications public service companies to assure conformance to the public interest. See Va. Const. Art. IX sec. 2 and § 56-35 of the Code of Virginia. This authority has been reaffirmed by the enactment of § 56-235.5.B and § 56-265.4:4.C.1. Whether the Commission is authorizing alternative forms of regulation or certificating competitive providers, it must assure the continuation of quality local exchange service and protect the public interest. Notwithstanding their negotiated agreement, BA-VA, Jones, and all other providers of local exchange service must comply with all statutory standards and Commission rules and regulations.

Counsel for BA-VA, by letter of October 14, 1997, served a copy of the Agreement on the modified service list in this case as defined in the Commission's Procedural Rules for Implementing §§ 251 and 252 of the Telecommunications Act of 1996, as adopted in Case No. PUC960059, 20 VAC 5-400-190, ("procedural rules"). Comments were to be filed on or before November 4, 1997, and none were received.

Pursuant to the provisions of § 252(e)(A) of the Act, the Commission may reject the proposed Agreement only if it is found to be inconsistent with the public interest, convenience and necessity or if it is found discriminatory to other carriers. Since there is no indication that the Agreement violates any of those standards, the Commission finds that the Agreement should be approved. It should not, however, be viewed as Commission precedent for other agreements or any statement of generally available terms submitted by BA-VA. The Agreement is directly binding only upon BA-VA and Jones. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) Pursuant to the Commission's authority to regulate public service companies as authorized by the Virginia Constitution, Art. IX § 2 and § 56-35 of the Code of Virginia, the Amended and Restated Agreement submitted by BA-VA and Jones is hereby approved as complying with § 252(e) of the Act.

(2) Pursuant to § 252(h) of the Act, a copy of this Amended and Restated Agreement shall be kept on file in the Commission's Division of Communications for inspection by the public.

(3) This matter is continued generally for the consideration of any subsequent revisions or amendments to the Agreement.

CASE NO. PUC970164
JANUARY 16, 1998

APPLICATION OF
BELL ATLANTIC-VIRGINIA, INC.
and
TIE COMMUNICATIONS, INC.

For approval of interconnection agreement under § 252(e) of the Telecommunications Act of 1996

ORDER APPROVING AGREEMENT

On October 20, 1997, Bell Atlantic-Virginia, Inc. ("BA-VA") and Tie Communications, Inc. ("TCI") filed for Commission approval, pursuant to §§ 251 and 252 of the Telecommunications Act of 1996 ("the Act"), 47 U.S.C. §§ 251 and 252, their interconnection agreement ("Agreement") dated May 15, 1997.

The Commission has constitutional and statutory duties to regulate the operations of telecommunications public service companies to assure conformance to the public interest. See Va. Const. art. IX § 2 and § 56-35 of the Code of Virginia. This authority has been reaffirmed by the enactment of § 56-235.5.B and § 56-265.4:4.C.1. Whether the Commission is authorizing alternative forms of regulation or certificating competitive providers, it must assure the continuation of quality local exchange service and protect the public interest.

Notwithstanding their negotiated agreement, BA-VA, TCI and all other providers of local exchange service must comply with all statutory standards and Commission rules and regulations.

Counsel for BA-VA indicated that a copy of the Agreement was served on the modified service list in this case as defined in the Commission's Procedural Rules for Implementing §§ 251 and 252 of the Telecommunications Act of 1996, as adopted in Case No. PUC960059, 20 VAC 5-400-190, ("procedural rules"). Comments were to be filed by November 10, 1997, and none were received.

We have one area of concern with the Agreement. Section 27.2 under the heading of "Responsibility for Charges" appears to obligate TCI to pay for services provided by parties other than BA-VA regardless of whether TCI is paid for those charges by its customers. This Agreement between TCI and BA-VA does not affect the rights of end users to dispute such charges and does not excuse either company from complying with the Commission's billing and collection rules. Notwithstanding this concern, we find that the Agreement should be approved pursuant to the standards of § 252(e)(2)(A) of the Act. It should not, however, be viewed as Commission precedent for other agreements or any statement of generally available terms submitted by BA-VA. The Agreement is directly binding on only BA-VA and TCI. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) Pursuant to the Commission's authority to regulate public service companies as authorized by the Virginia Constitution, art. IX § 2 and § 56-35 of the Code of Virginia, the interconnection agreement submitted by BA-VA and TCI is hereby approved as complying with § 252(e) of the Act.

(2) Pursuant to § 252(h) of the Act, a copy of this Agreement shall be kept on file in the Commission's Division of Communications for inspection by the public.

(3) This case is continued generally for the consideration of any subsequent amendments or revisions to the Agreement.

CASE NO. PUC970166
FEBRUARY 26, 1998

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION

Ex Parte: in re: Consideration of changes in universal service support for low-income customers as required by federal regulations

ORDER

On December 17, 1997, the Commission entered an Order Amending Virginia Universal Service Plan ("VUSP") directing eligible telecommunications carriers to make revisions to their VUSP offerings consonant with changes brought about by the Telecommunications Act of 1996, 47 U.S.C. § 251 et seq. Rate changes were to have been made effective not later than March 3, 1998. That order provided that any carrier unable to comply with the implementation requirements could request a waiver for good cause shown.

On February 17, 1998, Bell Atlantic-Virginia, Inc. ("BA-VA" or "Company") advised that it would not be able to modify its billing system to accomplish the rate change before May 1, 1998. BA-VA states that it "has been involved for some time in designing and implementing a new system for preparing customer bills." It states that changes to the billing system for the first part of 1998 had already been planned at the time of entry of the order referenced above and additional time is necessary to plan for the VUSP amendments. The Company is hopeful that "changes necessary to implement the new lower VUSP charges will be implemented by May 1, 1998."

The Commission will herein grant the request of BA-VA to delay implementation of the changes to May 1, but expects the Company to work diligently to accomplish the necessary modifications to its billing systems.

Accordingly, IT IS ORDERED that:

(1) Bell Atlantic-Virginia shall implement VUSP rate changes previously ordered on or before May 1, 1998; and

(2) This matter is continued for further orders of the Commission.

CASE NO. PUC970167
MARCH 9, 1998

APPLICATION OF
BELL ATLANTIC-VIRGINIA, INC.

To implement additional Community Choice Plan routes

FINAL ORDER

On October 21, 1997, Bell Atlantic-Virginia, Inc. ("BA-VA" or "the Company") filed its application to implement additional Community Choice Plan ("CCP") routes. BA-VA proposes to add routes that would link certain BA-VA exchanges with nearby exchanges of GTE South, Inc. ("GTE"). Pursuant to the Commission's order of November 25, 1997, BA-VA furnished direct mail notice to customers living within those exchanges where customers would be regrouped and pay a higher monthly rate as a result of being included in the CCP. Customers in the affected exchanges were permitted to file written comments or requests for hearing with the Clerk of the Commission on or before January 29, 1998. BA-VA filed proof of its notices on January 20, 1998.

On March 5, 1998, the Staff filed a report on the customer responses to the public notices. A number of customer comments for and against CCP were received, however only two customers, including the Town Manager of Orange, requested a hearing. The Town of Orange does not support CCP, and seven affected Orange exchange customers filed letters in opposition. Only one Orange customer filed a comment favoring CCP.

Thirty-three customers in the Hampton exchange, and twenty-three customers in the Newport News exchange filed letters in opposition to CCP. BA-VA has separately notified the Staff, however, that these exchanges are scheduled to regroup in the third quarter of this year as the result of normal access line growth. An exchange study performed in December of 1997 showed that the Company was entitled, pursuant to its local exchange tariff, to regroup at that time. The Hampton and Newport News exchanges will therefore regroup regardless of our decision to approve CCP.

The Staff report recommends approval of all proposed CCP routes except for the Orange to Chancellor route.

NOW THE COMMISSION, upon consideration of the public comments and Staff report filed herein, finds that it is in the public interest to approve the CCP, in part. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) BA-VA may implement its proposed Community Choice Plan in its Craigsville, Culpeper, Fredericksburg, Hampton, Hartwood, Lynchburg, Newport News and Unionville exchanges, as proposed, pursuant to the tariffs filed herein.

(2) CCP is not approved for the Orange exchange due to the opposition of the Town and adverse customer comments. Rejection of the CCP for this exchange shall not preclude customers from seeking extended local service pursuant to the provisions of Va. Code § 56-484.2.

(3) There being nothing further to come before the Commission, this docket is closed and the papers filed herein shall be placed in the file for ended causes.

CASE NO. PUC970168
JANUARY 20, 1998

APPLICATION OF
CENTRAL TELEPHONE COMPANY OF VIRGINIA
and
UNITED TELEPHONE-SOUTHEAST, INC.

For approval of an interconnection agreement under § 252(e) of the Telecommunications Act of 1996 with U.S. Telco, Incorporated

ORDER APPROVING AGREEMENT

On October 22, 1997, Central Telephone Company of Virginia and United Telephone-Southeast, Inc. ("Centel/United") filed a joint application for Commission approval, pursuant to §§ 251 and 252 of the Telecommunications Act of 1996, 47 U.S.C. §§ 251 and 252, of their interconnection agreement with U.S. TELCO, Incorporated ("U.S. TELCO") dated September 18, 1997.

The Commission has constitutional and statutory duties to regulate the operations of telecommunications public service companies to assure conformance to the public interest. See Va. Const. Art. IX sec. 2 and § 56.35 of the Code of Virginia. This authority has been reaffirmed by the enactment of § 56-235.5 B and § 56-265.4:4 C 1. Whether the Commission is authorizing alternative forms of regulation or certificating competitive providers, it must assure the continuation of quality local exchange service and protect the public interest. Notwithstanding their negotiated agreement, Centel/United, U.S. TELCO and all other providers of local exchange service must comply with all statutory standards and Commission rules and regulations.

Counsel for Centel/United indicated that a copy of the Agreement was to be served on the modified service list in this case as defined in the Commission's Procedural Rules for Implementing §§ 251 and 252 of the Telecommunications Act of 1996, as adopted in Case No. PUC960059, 20 VAC 5-400-190, ("procedural rules"). Comments were to be filed on or before November 12, 1997, and none were received.

Pursuant to the provisions of § 252(e)(2)(A) of the Act, the Commission may reject the proposed Agreement only if it is found to be inconsistent with the public interest, convenience and necessity or if it is found discriminatory to other carriers. Since there is no indication that the agreement violates any of those standards, the Commission finds that the Agreement should be approved. It should not, however, be viewed as Commission precedent for other agreements. The Agreement is directly binding only on Centel/United and U.S. TELCO. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) Pursuant to the Commission's authority to regulate public service companies as authorized by the Virginia Constitution, Art. IX § 2 and § 56-35 of the Code of Virginia, the interconnection agreement submitted by Centel/United and U.S. TELCO is hereby approved as complying with § 252(e) of the Act.

(2) Pursuant to § 252(h) of the Act, a copy of this Agreement shall be kept on file in the Commission's Division of Communications for inspection by the public.

(3) This matter is continued generally for the consideration of any subsequent revisions or amendments to the Agreement.

CASE NO. PUC970169
JANUARY 16, 1998

APPLICATION OF
BELL ATLANTIC-VIRGINIA, INC.
and
LCI INTERNATIONAL TELECOM CORPORATION

For approval of interconnection agreement under § 252(e) of the Telecommunications Act of 1996

ORDER APPROVING AGREEMENT

On October 24, 1997, Bell Atlantic-Virginia, Inc. ("BA-VA") and LCI International Telecom Corporation ("LCI") filed for Commission approval, pursuant to §§ 251 and 252 of the Telecommunications Act of 1996 ("the Act"), 47 U.S.C. §§ 251 and 252, their interconnection agreement ("Agreement") dated June 11, 1997.

The Commission has constitutional and statutory duties to regulate the operations of telecommunications public service companies to assure conformance to the public interest. See Va. Const. art. IX § 2 and § 56-35 of the Code of Virginia. This authority has been reaffirmed by the enactment of § 56-235.5.B and § 56-265.4:4.C.1. Whether the Commission is authorizing alternative forms of regulation or certificating competitive providers, it must assure the continuation of quality local exchange service and protect the public interest. Notwithstanding their negotiated agreement, BA-VA, LCI and all other providers of local exchange service must comply with all statutory standards and Commission rules and regulations.

Counsel for BA-VA indicated that a copy of the Agreement was served on the modified service list in this case as defined in the Commission's Procedural Rules for Implementing §§ 251 and 252 of the Telecommunications Act of 1996, as adopted in Case No. PUC960059, 20 VAC 5-400-190, ("procedural rules"). Comments were to be filed by November 14, 1997, and none were received.

We have one area of concern with the Agreement. Section 31.2 under the heading of "Responsibility for Charges" appears to obligate LCI to pay for services provided by parties other than BA-VA regardless of whether LCI is paid for those charges by its customers. This agreement between LCI and BA-VA does not affect the rights of end users to dispute such charges and does not excuse either company from complying with the Commission's billing and collection rules. Notwithstanding this concern, we find that the Agreement should be approved pursuant to the standards of § 252(e)(2)(A) of the Act. It should not, however, be viewed as Commission precedent for other agreements or any statement of generally available terms submitted by BA-VA. The Agreement is directly binding on only BA-VA and LCI. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) Pursuant to the Commission's authority to regulate public service companies as authorized by the Virginia Constitution, art. IX § 2 and § 56-35 of the Code of Virginia, the interconnection agreement submitted by BA-VA and LCI is hereby approved as complying with § 252(e) of the Act.

(2) Pursuant to § 252(h) of the Act, a copy of this Agreement shall be kept on file in the Commission's Division of Communications for inspection by the public.

(3) This case is continued generally for the consideration of any subsequent amendments or revisions to the Agreement.

CASE NO. PUC970170
FEBRUARY 17, 1998

APPLICATION OF
MID-ATLANTIC TELEPHONE COMPANY

For certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services

FINAL ORDER

On October 27, 1997, Mid-Atlantic Telephone Company ("Mid-Atlantic" or "Applicant") filed an application for certificates of public convenience and necessity ("certificate") to provide local exchange and interexchange telecommunications services throughout the Commonwealth of Virginia.

By Order dated December 17, 1997, the Commission directed the Applicant to provide notice to the public of its application, directed the Commission Staff to conduct an investigation and file a report, and scheduled a public hearing to receive evidence relevant to Mid-Atlantic's application. On January 29, 1998, the Staff filed its report finding that Mid-Atlantic's application was in compliance with the Commission's Rules for Local Exchange Telephone Competition, as adopted in Case No. PUC970018, and the Commission's Rules Governing the Certification of Interexchange Carriers, as amended in Case No. PUC850035, except that Mid-Atlantic did not submit complete audited financial statements. Based upon its review of Mid-Atlantic's application and incomplete audited financial statements, the Staff determined it would be appropriate to grant a local exchange certificate and interexchange certificate to Mid-Atlantic subject to two conditions: (1) any customer deposits collected by the Company shall be retained in an unaffiliated third-party escrow account until such time as the Staff or Commission determines is necessary; and (2) the Company shall provide audited 1997 year-end financial statements for North American Telecommunications Corporation ("NATC"), the entity responsible for financing Mid-Atlantic, to the Staff on or before July 1, 1998.

A hearing was conducted on February 10, 1998. Mid-Atlantic filed proof of publication and proof of service as required by the December 17, 1997 scheduling order. At the hearing, the application and accompanying attachments, and the Staff report were entered into the record without objection.

Having considered the application and the Staff report, the Commission finds that Mid-Atlantic's application should be granted. Having considered § 56-481.1, the Commission also finds that Mid-Atlantic may price its interexchange services competitively. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) Mid-Atlantic Telephone Company is hereby granted a certificate of public convenience and necessity, No. TT-45A, to provide interexchange service subject to the restrictions set forth in the Commission's Rules Governing the Certification of Interexchange Carriers, § 56-265.4:4 of the Code of Virginia, and the provisions of this order.

(2) Mid-Atlantic Telephone Company is hereby granted a certificate of public convenience and necessity, No. T-402, to provide local exchange telecommunications service subject to the restrictions set forth in the Commission's Rules for Local Exchange Telephone Competition, § 56-265.4:4 of the Code of Virginia, and the provisions of this order.

(3) Mid-Atlantic shall provide tariffs to the Division of Communications which conform with all applicable Commission rules and regulations.

(4) Mid-Atlantic shall provide to the Division of Economics and Finance audited, year-end 1997 financial statements of its corporate parent, NATC, on or before July 1, 1998.

(5) Should Mid-Atlantic collect customer deposits, it shall establish and maintain an escrow account, held by a third party, to hold such funds, and shall notify the Commission Staff of the escrow arrangement. Any escrow arrangement established pursuant to this order shall be maintained for such time as the Staff or Commission determines necessary.

(6) Pursuant to § 56-481.1 of the Code of Virginia, Mid-Atlantic may price its interexchange service competitively.

(7) There being nothing further to come before the Commission, this case shall be dismissed and the papers herein placed in the file for ended causes.

CASE NO. PUC970171
JANUARY 29, 1998

APPLICATION OF
CENTRAL TELEPHONE COMPANY OF VIRGINIA
and
CFW NETWORK, INC.

For approval of interconnection agreement under Section 252(e) of the Telecommunications Act of 1996

ORDER APPROVING AGREEMENT

On October 31, 1997, Central Telephone Company of Virginia ("Centel") and CFW Network, Inc. ("CFW Network") filed for Commission approval, pursuant to §§ 251 and 252 of the Telecommunications Act of 1996 ("the Act"), 47 U.S.C. §§ 251 and 252, their interconnection agreement ("Agreement") dated August 18, 1997, but entered into October 22, 1997.

The Commission has constitutional and statutory duties to regulate the operations of telecommunications public service companies to assure conformance to the public interest. See Va. Const. Art. IX Sec. 2 and § 56-35 of the Code of Virginia. This authority has been reaffirmed by the enactment of § 56-235.5.B and § 56-265.4:4.C.1. Whether the Commission is authorizing alternative forms of regulation or certificating competitive providers, it must assure the continuation of quality local exchange service and protect the public interest. Notwithstanding their negotiated agreement, Centel, CFW Network, and all other providers of local exchange service must comply with all statutory standards and Commission rules and regulations.

Counsel for Centel indicated that a copy of the Agreement was served on the modified service list in this case as defined in the Commission's Procedural Rules for Implementing §§ 251 and 252 of the Telecommunications Act of 1996, as adopted in Case No. PUC960059, 20 VAC 5-400-190, ("procedural rules"). Comments were to be filed on or before November 21, 1997 and none were received.

Pursuant to the provisions of § 252(e)(2)(A) of the Act, the Commission may reject the proposed Agreement only if it is found to be inconsistent with the public interest, convenience and necessity or if it is found discriminatory to other carriers. Since there is no indication that the agreement violates any of those standards, the Commission finds that the Agreement should be approved. It should not, however, be viewed as Commission precedent for other agreements. The Agreement is directly binding only upon Centel and CFW Network. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) Pursuant to the Commission's authority to regulate public service companies as authorized by the Virginia Constitution, Art. IX Sec. 2 and § 56-35 of the Code of Virginia, the interconnection agreement submitted by Centel and CFW Network is hereby approved as complying with § 252(e) of the Act.

(2) Pursuant to § 252(h) of the Act, a copy of this amendment to the Agreement shall be kept on file in the Commission's Division of Communications for inspection by the public.

(3) This matter is continued generally for the consideration of any subsequent revisions or amendments to the Agreement.

CASE NO. PUC970172
FEBRUARY 17, 1998

APPLICATION OF
BELLSOUTH BSE OF VIRGINIA, INC.

For certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services

FINAL ORDER

On October 31, 1997, BellSouth BSE of Virginia, Inc. ("BellSouth" or "Applicant") filed an application for certificates of public convenience and necessity ("certificate") to provide local exchange and interexchange telecommunications services throughout the Commonwealth of Virginia.

By Order dated December 10, 1997, the Commission directed the Applicant to provide notice to the public of its application, directed the Commission Staff to conduct an investigation and file a report, and scheduled a public hearing to receive evidence relevant to BellSouth's application.

On January 20, 1998, the Staff filed its report finding that BellSouth's application was in compliance with the Commission's Rules for Local Exchange Telephone Competition, as adopted in Case No. PUC950018, and the Commission's Rules Governing the Certification of Interexchange Carriers, as amended in Case No. PUC850035. Accordingly, the Staff recommended granting a local exchange certificate and an interexchange certificate to BellSouth.

A hearing was conducted on February 10, 1998. BellSouth filed proof of publication and proof of service as required by the December 10, 1997 scheduling order. At the hearing, the application, with accompanying exhibits, and the Staff's Report were entered into the record without objection.

Having considered the application, as amended, and the Staff's Report, the Commission finds that such application should be granted. Having considered § 56-481.1, the Commission also finds that BellSouth may price its interexchange services competitively. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) BellSouth BSE of Virginia, Inc. is hereby granted a certificate of public convenience and necessity, No. TT-44A, to provide interexchange service subject to restrictions set forth in the Commission's Rules Governing the Certification of Interexchange Carriers, § 56-265.4:4 of the Code of Virginia, and provisions of this Order.

(2) BellSouth BSE of Virginia, Inc. is hereby granted a certificate of public convenience and necessity, No. T-403, to provide local exchange telecommunications service subject to the restrictions set forth in the Commission's Rules for Local Exchange Telephone Competition, § 56-265.4:4 of the Code of Virginia, and the provisions of this Order.

(3) BellSouth shall provide tariffs to the Division of Communications which conform with all applicable Commission rules and regulations.

(4) Pursuant to § 56-481.1 of the Code of Virginia, BellSouth may price its interexchange services competitively.

(5) There being nothing further to come before the Commission, this case shall be dismissed and the papers placed in the file for ended causes.

CASE NO. PUC970176
JANUARY 28, 1998

APPLICATION OF
GTE SOUTH INCORPORATED
and
UNITED STATES CELLULAR

For approval of interconnection agreement under § 252(e) of the Telecommunications Act of 1996

ORDER APPROVING AGREEMENT

On November 12, 1997, GTE South Incorporated ("GTE") and United States Cellular ("US Cellular") filed for Commission approval, pursuant to §§ 251 and 252 of the Telecommunications Act of 1996 ("the Act"), 47 U.S.C. §§ 251 and 252, their interconnection agreement ("Agreement") dated October 31, 1997.

The Commission has constitutional and statutory duties to regulate the operations of the telecommunications public service companies to assure conformance to the public interest. See Va. Const. Art. IX § 2 and § 56-35 of the Code of Virginia. This authority has been reaffirmed by the enactment of § 56-235.5.B and § 56-265.4:4.C.1. Whether the Commission is authorizing alternative forms of regulation or certificating competitive providers, it must assure the continuation of quality local exchange service and protect the public interest. Notwithstanding their negotiated agreement, US Cellular, GTE, and all other providers of local exchange service must comply with all statutory standards and Commission rules and regulations.

Counsel for GTE and US Cellular indicated that a copy of the Agreement was served on the modified service list in this case as defined in the Commission' Procedural Rules for Implementing §§ 251 and 252 of the Telecommunications Act of 1996, as adopted in Case No. PUC960059 ("procedural rules").

The Commission finds that the Agreement should be approved pursuant to the standards of § 252(e)(2)(A) of the Act. It should not, however, be viewed as Commission precedent for other agreements. The Agreement is directly binding only GTE and US Cellular. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) Pursuant to the Commission's authority to regulate public service companies as authorized by the Virginia Constitution, Art. IX § 2 and § 56-35 of the Code of Virginia, the interconnection agreement submitted by GTE and US Cellular is hereby approved as complying with § 252(e) of the Act.

(2) Pursuant to § 252(h) of the Act, a copy of this Agreement shall be kept on file in the Commission's Division of Communications for inspection by the public.

(3) This case shall remain open to receive any subsequent amendments or revisions to the Agreement.

CASE NO. PUC970177
MAY 5, 1998

APPLICATION OF
DIECA COMMUNICATIONS, INC.

For certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services

FINAL ORDER

On November 18, 1997, DIECA Communications, Inc. ("DIECA" or "Applicant") filed an application for certificates of public convenience and necessity ("certificate") to provide local exchange and interexchange telecommunications services throughout the Virginia service territories of Bell Atlantic, GTE, and Sprint.

By Order dated January 29, 1998, the Commission directed the Applicant to provide notice to the public of its application, directed the Commission Staff to conduct an investigation and file a report, and scheduled a public hearing to receive evidence relevant to DIECA's application. On March 5, 1998, the Staff filed its report finding that DIECA's application was in compliance with the Commission's Rules for Local Exchange Telephone Competition, as adopted in Case No. PUC950018, and the Commission's Rules Governing the Certification of Interexchange Carriers, as amended in Case No. PUC850035, except that DIECA did not submit audited financial statements. Based upon its review of DIECA's application, and the unaudited financial statements of DIECA's parent, Covad Communications Company ("Covad"), the Staff determined that it would be appropriate to grant a local exchange certificate and interexchange certificate to DIECA subject to two conditions: (1) any customer deposits collected by the Company shall be retained in an unaffiliated third-party escrow account until such time as the Staff or Commission determines it is no longer necessary; and (2) the Company shall provide audited 1997 year-end financial statements for Covad, the entity responsible for financing DIECA, to the Staff on or before July 1, 1998.

On March 18, 1998, DIECA filed a motion requesting an extension of time for it to provide public notice of its application. By order dated March 23, 1998, the Commission granted DIECA's request and revised the procedural schedule to afford DIECA additional time in which to provide the required notice.

A hearing was conducted on April 29, 1998. DIECA filed proof of publication and proof of service as required by the January 29, 1998 scheduling order and the March 23, 1998 order granting DIECA's motion to revise the procedural schedule. At the hearing, the proof of notice, application and accompanying attachments, and the Staff report were entered into the record without objection.

Having considered the application and the Staff report, the Commission finds that DIECA's application should be granted. Having considered § 56-481.1, the Commission also finds that DIECA may price its interexchange services competitively. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) DIECA Communications, Inc. is hereby granted a certificate of public convenience and necessity, No. TT-50A, to provide interexchange service subject to the restrictions set forth in the Commission's Rules Governing the Certification of Interexchange Carriers, § 56-265.4:4 of the Code of Virginia, and the provisions of this order.

(2) DIECA Communications, Inc. is hereby granted a certificate of public convenience and necessity, No. T-410, to provide local exchange telecommunications service subject to the restrictions set forth in the Commission's Rules for Local Exchange Telephone Competition, § 56-265.4:4 of the Code of Virginia, and the provisions of this order.

(3) DIECA shall provide tariffs to the Division of Communications which conform with all applicable Commission rules and regulations.

(4) DIECA shall provide to the Division of Economics and Finance audited year-end 1997 financial statements of its corporate parent, Covad, on or before July 1, 1998.

(5) Should DIECA collect customer deposits, it shall establish and maintain an escrow account, held by a third party, to hold such funds, and shall notify the Commission Staff of the escrow arrangement. Any escrow arrangement established pursuant to this order shall be maintained for such time as the Staff or Commission determines necessary.

(6) Pursuant to § 56-481.1 of the Code of Virginia, DIECA may price its interexchange service competitively.

(7) There being nothing further to come before the Commission, this case shall be dismissed and the papers herein placed in the file for ended causes.

CASE NO. PUC970178
FEBRUARY 17, 1998

APPLICATION OF
FIRST REGIONAL TELECOM, LLC

For a certificate of public convenience and necessity to provide local exchange telecommunications services

FINAL ORDER

On November 14, 1997, First Regional TeleCOM, LLC ("First Regional" or "Applicant") filed a completed application for a certificate of public convenience and necessity ("certificate") to provide local exchange telecommunications services throughout the Commonwealth of Virginia. By Order dated December 10, 1997, the Commission directed the Company to provide notice to the public of its application, directed the Commission Staff to conduct an investigation and file a report, and scheduled a public hearing to receive evidence relevant to such application.

On January 20, 1998, Staff filed its report finding that First Regional's application was in compliance with the Commission's Rules for Local Exchange Competition as adopted in Case No. PUC950018, except that the financial statements submitted by First Regional were unaudited. Based upon its review of First Regional's application and unaudited financial statements, the Staff determined it would be appropriate to grant a local exchange certificate to First Regional subject to two conditions: (1) any customer deposits collected by the Company be retained in an unaffiliated third party escrow account until such time as the Staff or Commission determines is necessary; and (2) the Company shall provide audited 1997 year-end financial statements to the Staff on or before July 1, 1998.

A hearing was conducted on February 10, 1998. First Regional filed proof of publication and proof of service as required by the December 10, 1997 Order. At the hearing, the application, the Company's exhibits and Staff's report were entered into the record without objection.

Having considered the application and the Staff's report, the Commission finds that such application should be granted. Although we will require the Company to retain any customer deposits in an unaffiliated third party escrow account, this requirement should not be interpreted to prevent the Company's normal access to deposits from delinquent terminated accounts. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) First Regional TeleCOM, LLC is hereby granted a certificate of public convenience and necessity, No. T-404 to provide local exchange telecommunication service subject to the restrictions set forth in the Commission's Rules for Local Exchange Telephone Competition, § 56-265.4:4 of the Code of Virginia, and the provisions of this Order.

(2) First Regional shall provide tariffs to the Division of Communications which conform with all applicable Commission rules and regulations.

(3) Should First Regional collect customer deposits, it shall establish and maintain an escrow account, held by an unaffiliated third party, for such funds and shall notify the Commission Staff of the escrow arrangement. Any escrow arrangement established pursuant to this Order shall be maintained for such time as the Staff or the Commission determines necessary.

(4) The Company shall provide audited 1997 year-end financial statements to the Staff on or before July 1, 1998.

(5) There being nothing further to come before the Commission, this case shall be dismissed and the papers placed in the file for ended causes.

CASE NO. PUC970179
MARCH 9, 1998

APPLICATION OF
NTEL COMMUNICATIONS, LLC

For Certificate of Public Convenience and Necessity to Provide Local Exchange Telecommunications Service

FINAL ORDER

On November 17, 1997, NTEL Communications, LLC ("NTEL" or "Applicant"), filed an application for a certificate of public convenience and necessity ("certificate") to provide local exchange telecommunications throughout the Commonwealth of Virginia.

By order dated December 23, 1997, the Commission directed the Applicant to provide notice to the public of its application by January 16, 1998, directed the Commission Staff to conduct an investigation and file a report, and scheduled a public hearing to receive evidence relevant to such application. On February 17, 1998, Staff filed its report finding that NTEL's application was in compliance with the Commission's Rules for Local Exchange Telephone Competition, as adopted in Case No. PUC950018,[1] except that NTEL did not submit audited financial statements for itself, or for its parent, CBCOM Communications, LLC ("CBCOM").

Based upon its review of NTEL's application and the audited financial statements submitted for The Societe Generale Group, which was described as a leading investor in NTEL, Staff determined that it would be appropriate to grant a local exchange certificate to NTEL subject to certain conditions. Specifically, those conditions are as follows: (1) that any customer deposits collected by NTEL be retained in unaffiliated third party escrow

[1] See 20 VAC 5-400-180

account for such time as Staff or Commission determines that it is necessary; and (2) that NTEL provide Staff with audited financial information for itself or for its parent no later than one year from the date of the issuance of its certificate.

In a motion filed on February 20, 1998, counsel for NTEL requested that the Commission extend the time to provide notice of NTEL's application and to accept, as adequate notice, affidavits showing publication completed on January 28, 1998. In the alternative, NTEL requested that the Commission approve NTEL's application pending additional notice as determined by the Commission.

A hearing was conducted on February 26, 1998. At the hearing, NTEL's Motion for Extension of Time to Provide Public Notice was granted and the affidavits of publication provided by NTEL were accepted as adequate notice. NTEL's application and exhibits were entered into the record without objection. A correct copy of page 4 of Staff's report was accepted in the record and substituted for that previously filed.

Having considered the application and Staff's report, the Commission finds that NTEL's application should be granted subject to the conditions referenced above. Although we will require NTEL to retain customer deposits in an unaffiliated third party escrow account, this requirement should not be interpreted to prevent the Applicant's normal access to deposits from delinquent terminated accounts. Notwithstanding the above, the Commission's rule governing customer deposits shall apply. See 20 VAC 5-10-20.

Accordingly, IT IS THEREFORE ORDERED THAT:

(1) NTEL Communications, LLC is hereby granted a certificate of public convenience and necessity, No. T-405 to provide local exchange telecommunications service subject to the restrictions set forth in the Commission's Rules for Local Exchange Telephone Competition, § 56-265 4:4 of the Code of Virginia, and the provisions of this order.

(2) NTEL shall provide tariffs to the Division of Communications which conform with all applicable Commission rules and regulations.

(3) NTEL shall provide to the Commission's Division of Economics and Finance audited, year-end 1998 financial statements for itself or for its immediate parent, CBCOM Communications, LLC, on or before March 15, 1999.

(4) Should NTEL collect customer deposits, it shall establish and maintain an escrow account, held by an unaffiliated third party, for such funds, and shall notify the Commission Staff of the escrow arrangement. Any escrow arrangement established pursuant to this order shall be maintained for such time as the Staff or Commission determines necessary.

(5) There being nothing further to come before the Commission, this case shall be dismissed and the papers placed in the file for ended causes.

CASE NO. PUC970180
FEBRUARY 12, 1998

APPLICATION OF
BELL ATLANTIC-VIRGINIA, INC.

For approval of an interconnection agreement under § 252(e) of the Telecommunications Act of 1996 with Frontier Telemanagement, Inc.

ORDER APPROVING AGREEMENT

On November 17, 1997, Bell Atlantic-Virginia, Inc. ("BA-VA") filed an interconnection agreement with Frontier Telemanagement, Inc. ("Frontier") for Commission approval pursuant to §§ 251 and 252 of the Telecommunications Act of 1996, 47 U.S.C. §§ 251 and 252. The interconnection agreement was described as a resale agreement and was dated with an effective date of September 15, 1997.

The Commission has constitutional and statutory duties to regulate the operations of telecommunications public service companies to assure conformance to the public interest. See Va. Const. Art. IX sec. 2 and § 56-35 of the Code of Virginia. This authority has been reaffirmed by the enactment of § 56-235.5 B and § 56-265.4:4 C 1. Whether the Commission is authorizing alternative forms of regulation or certificating competitive providers, it must assure the continuation of quality local exchange service and protect the public interest. Notwithstanding their negotiated agreement, BA-VA, Frontier, and all other providers of local exchange service must comply with all statutory standards and Commission rules and regulations.

Counsel for BA-VA indicated that a copy of the Agreement was served on the modified service list in this case as defined in the Commission's Procedural Rules for Implementing §§ 251 and 252 of the Telecommunications Act of 1996, as adopted in Case No. PUC960059, 20 VAC 5-400-190, ("procedural rules"). Comments were to be filed on or before December 8, 1997, and none were received.

We have one area of concern with the Agreement. Section 30.2 under the heading of "Responsibility for Charges" appears to obligate Frontier to pay for services provided by parties other than BA-VA regardless of whether Frontier is paid for those charges by its customers. This agreement between Frontier and BA-VA does not affect the rights of end users to dispute such charges and does not excuse either company from complying with the Commission's billing and collection rules. Notwithstanding this concern, the Commission finds that the Agreement should be approved pursuant to the standards of § 252(e)(2)(A) of the Act. The Agreement does not discriminate against other carriers and conforms to § 252(i) in that it is available to other carriers. It should not, however, be viewed as Commission precedent for other agreements. The revised Agreement is directly binding only on BA-VA and Frontier. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) Pursuant to the Commission's authority to regulate public service companies as authorized by the Virginia Constitution, Art. IX § 2 and § 56-35 of the Code of Virginia, the interconnection agreement submitted by BA-VA and Frontier is hereby approved as complying with § 252(e) of the Act.

(2) Pursuant to § 252(h) of the Act, a copy of this Agreement shall be kept on file in the Commission's Division of Communications for inspection by the public.

(3) This matter is continued generally for the consideration of any subsequent revisions or amendments to the agreement.

CASE NO. PUC970183
FEBRUARY 19, 1998

APPLICATION OF
GTE SOUTH INCORPORATED
and
TELIGENT OF VIRGINIA, INCORPORATED

For approval of interconnection agreement under § 252(e) of the Telecommunications Act of 1996

ORDER APPROVING AGREEMENT

On November 25, 1997, GTE South Incorporated ("GTE") and Teligent of Virginia, Incorporated ("Teligent") filed for Commission approval, pursuant to §§ 251 and 252 of the Telecommunications Act of 1996 ("the Act"), 47 U.S.C. §§ 251 and 252, their interconnection agreement ("Agreement").

This Agreement establishes the terms, conditions and prices for the mutual exchange and termination of traffic originating on each party's network and the purchase by Teligent of unbundled network elements and certain resale services from GTE. However, this Agreement includes two sets of prices. The first prices are the GTE terms shown in Appendix L, and second prices are those in Appendix M, which are the rates established in the GTE/Cox Interconnection, Resale and Unbundling Agreement. The parties have agreed to utilize the rates, terms and conditions established in Appendix M unless those rates are deemed unlawful, or are stayed or enjoined. In that event, the GTE rates, terms and conditions in Appendix L would apply and be effective retroactive to the effective date of the Agreement. According to its terms, the parties' Agreement shall become effective as of the date it is filed with the Commission.

The Commission has constitutional and statutory duties to regulate the operations of telecommunications public service companies to assure conformance to the public interest. See Va. Const. Art. IX sec. 2 and § 56.35 of the Code of Virginia. This authority has been reaffirmed by the enactment of § 56-235.5.B and § 56-265.4:4.C.1. Whether the Commission is authorizing alternative forms of regulation or certificating competitive providers, it must assure the continuation of quality local exchange service and protect the public interest. Notwithstanding their negotiated agreement, GTE, Teligent, and all other providers of local exchange service must comply with all statutory standards and Commission rules and regulations.

Counsel for GTE and Teligent indicated that a copy of the Agreement was served on the modified service list in this case as defined in the Commission's Procedural Rules for Implementing §§ 251 and 252 of the Telecommunications Act of 1996, as adopted in Case No. PUC960059, 20 VAC 5-400-190, ("procedural rules"). Comments were to be filed on or before December 16, 1997, and none were received.

As required by § A(2) of the procedural rules, we have reviewed the negotiated portions of the agreement pursuant to § 252(e)(2)(A) of the Act. Under these criteria, we find no reason to reject this agreement. However, there is at least one portion of the agreement that requires our attention.

In Article III, Section 45, "Amendment of Certain Rates Terms and Conditions", the following language appears:

> The rates, terms and conditions (including rates which may be applicable under true-up) specified in both the "GTE Terms" and the "Cox Terms" are further subject to amendment, retroactive to the Effective Date of the Agreement, unless otherwise provided in this Agreement, to provide for charges or rate adjustments resulting from future Commission or other proceedings, including but not limited to any generic proceeding to determine GTE's unrecovered costs (e.g., historic costs, contribution, undepreciated reserve deficiency, or similar unrecovered GTE costs (including GTE's end user surcharge)), the establishment of a competitively neutral universal service system, or any appeal or other litigation.

The Commission is concerned the language here not be interpreted to define or mandate the parameters for any future Commission proceeding. If and when the Commission conducts any further proceeding(s) to determine prices applicable to interconnection for GTE, it will do as it is required and in accordance with the pricing standards established in § 252(d) of the Act. The parties are free to negotiate activities that they themselves will conduct, but the parties cannot agree to bind or direct future Commission actions. To the extent that there are other sections of the Agreement that attempt to bind the Commission's future actions, they shall not be enforceable.

Despite the above comments, we find that the Agreement should be approved. The Agreement is binding only on GTE and Teligent and should not be viewed as precedent for other agreements. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) Pursuant to the Commission's authority to regulate public service companies as authorized by the Virginia Constitution, Art. IX § 2 and § 56-35 of the Code of Virginia, the interconnection agreement submitted by GTE and Teligent is hereby approved as complying with § 252(e) of the Act.

(2) Pursuant to § 252(h) of the Act, a copy of this Agreement shall be kept on file in the Commission's Division of Communications for inspection by the public.

(3) This matter is continued generally for the consideration of any subsequent revisions or amendments to the Agreement.

CASE NO. PUC970186
JANUARY 26, 1998

APPLICATION OF
BELL ATLANTIC-VIRGINIA, INC.
and
SPARTAN DEBT SERVICES CORPORATION

For approval of interconnection agreement under § 252(e) of the Telecommunications Act of 1996

ORDER APPROVING AGREEMENT

On December 4, 1997, Bell Atlantic-Virginia, Inc. ("BA-VA") and Spartan Debt Services Corporation ("Spartan") filed for Commission approval, pursuant to §§ 251 and 252 of the Telecommunications Act of 1996 ("the Act"), 47 U.S.C. §§ 251 and 252, their interconnection agreement ("Agreement") dated October 3, 1997.

The Commission has constitutional and statutory duties to regulate the operations of telecommunications public service companies to assure conformance to the public interest. See Va. Const. art. IX § 2 and § 56-35 of the Code of Virginia. This authority has been reaffirmed by the enactment of § 56-235.5.B and § 56-265.4:4.C.1. Whether the Commission is authorizing alternative forms of regulation or certificating competitive providers, it must assure the continuation of quality local exchange service and protect the public interest. Notwithstanding their negotiated agreement, BA-VA, Spartan, and all other providers of local exchange service must comply with all statutory standards and Commission rules and regulations.

Counsel for BA-VA indicated that a copy of the Agreement was served on the modified service list in this case as defined in the Commission's Procedural Rules for Implementing §§ 251 and 252 of the Telecommunications Act of 1996, as adopted in Case No. PUC960059, 20 VAC 5-400-190, ("procedural rules"). Comments were to be filed by December 25, 1997, and none were received.

We have one area of concern with the Agreement. Section 30.2 under the heading of "Responsibility for Charges" appears to obligate Spartan to pay for services provided by parties other than BA-VA regardless of whether Spartan is paid for those charges by its customers. This agreement between Spartan and BA-VA does not affect the rights of end users to dispute such charges and does not excuse either company from complying with the Commission's billing and collection rules. Notwithstanding this concern, we find that the Agreement should be approved pursuant to the standards of § 252(e)(2)(A) of the Act. It should not, however, be viewed as Commission precedent for other agreements or any statement of generally available terms submitted by BA-VA. The Agreement is directly binding on only BA-VA and Spartan. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) Pursuant to the Commission's authority to regulate public service companies as authorized by the Virginia Constitution, art. IX § 2 and § 56-35 of the Code of Virginia, the interconnection agreement submitted by BA-VA and Spartan is hereby approved as complying with § 252(e) of the Act.

(2) Pursuant to § 252(h) of the Act, a copy of this Agreement shall be kept on file in the Commission's Division of Communications for inspection by the public.

(3) This case is continued generally for the consideration of any subsequent amendments or revisions to the Agreement.

CASE NO. PUC970187
MAY 19, 1998

APPLICATION OF
CENTRAL TELEPHONE COMPANY OF VIRGINIA

To implement extended local service from its Burkeville exchange to its Victoria exchange

FINAL ORDER

On December 9, 1997, the Central Telephone Company of Virginia ("Centel" or "the Company") filed an application with the State Corporation Commission ("Commission") pursuant to the provisions of Virginia Code § 56-484.2. Centel proposed to notify its Burkeville exchange subscribers of the increases in monthly rates that would be necessary to extend their local service to include the Victoria exchange. Customers in Centel's Victoria exchange had previously petitioned the Commission for local calling to Burkeville. In a poll conducted in response to the petition, a majority of the Victoria customers responding supported paying higher rates for local calling to Burkeville. A poll of Burkeville subscribers was not required under § 56-484.2 because the resulting rate increase is due solely to rate regrouping.

By order dated January 6, 1998, the Commission directed Centel to publish notice of the proposed increase. Affected telephone customers were given until March 4,1998, to file comments or request a hearing on the proposal. One comment in support of the proposal was received. No requests for hearing were filed. On February 23, 1998, Centel filed proof of notice as required by the Commission's January 6, 1998 order.

On March 18, 1998, the Commission's Staff submitted its report regarding the Company's application. The Staff recommended that Centel's application to implement extended local service from its Burkeville exchange to its Victoria exchange be approved. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) The proposed extension of local service from Centel's Burkeville exchange to its Victoria exchange shall be implemented.

(2) The Company shall implement the tariff revisions necessary for the proposed extension of local service.

(3) There being nothing further to come before the Commission, this docket is closed and the papers filed herein shall be placed in the file for ended causes.

CASE NO. PUC970189
MARCH 31, 1998

APPLICATION OF
NA COMMUNICATIONS, INC.

For certificates of public convenience and necessity to provide local and interexchange telecommunications services

FINAL ORDER

On December 11, 1997, NA Communications, Inc. ("NACI" or "Applicant") filed an application for certificates of public convenience and necessity to provide local and interexchange telecommunications services throughout the Commonwealth of Virginia. NACI supplemented its application on January 15, 1998.

By order dated February 2, 1998, the Commission directed the Applicant to provide notice to the public of its application, directed the Commission Staff to conduct an investigation and file a report, and scheduled a public hearing to receive evidence relevant to NACI's application for a certificate to provide local exchange service. On March 9, 1998, the Staff filed its report finding that NACI's application was in compliance with the Commission's Rules for Local Exchange Telephone Competition, as adopted in Case No. PUC950018[1] and the Commission's Rules Governing the Certification of Interexchange Carriers, as amended in Case No. PUC850035[2]. Based upon its review of NACI's application, the Staff determined it would be appropriate to grant an interexchange certificate to NACI and grant a local exchange certificate subject to two conditions: (1) NACI shall provide audited year-end financial statements to the Staff on or before March 31, 1999; and (2) any customer deposits collected by NACI must be retained in an escrow account, held by an unaffiliated third party, for such time as the Staff or Commission determines is necessary.

A hearing was conducted on March 19, 1998. NACI filed proof of publication and proof of service as required by the February 2, 1998 scheduling order. At the hearing, the application and accompanying attachments, and the Staff report were entered into the record without objection.

Having considered the application and the Staff report, the Commission finds that NACI's application should be granted subject to the conditions referenced above. Although we will require NACI to retain customer deposits in an unaffiliated third party escrow account, this requirement should not be interpreted to prevent the Applicant's normal access to deposits from delinquent terminated accounts. Notwithstanding the above, the Commission's rule governing customer deposits shall apply. See 20 VAC 5-10-20. Having considered § 56-481.1, the Commission also finds that NACI may price its interexchange services competitively.

Accordingly, IT IS THEREFORE ORDERED THAT:

(1) NA Communications, Inc. is hereby granted a certificate of public convenience and necessity, No. TT-48A, to provide interexchange service subject to the restrictions set forth in the Commission's Rules Governing the Certification of Interexchange Carriers, § 56-265.4:4 of the Code of Virginia, and the provisions of this order.

(2) Pursuant to § 56-481.1 of the Code of Virginia, NACI may price its interexchange service competitively.

(3) NA Communications, Inc. is hereby granted a certificate of public convenience and necessity, No. T-408, to provide local exchange telecommunications service subject to the restrictions set forth in the Commission's Rules for Local Exchange Telephone Competition, § 56-265.4:4 of the Code of Virginia, and the provisions of this order.

(4) NACI shall provide to the Division of Economics and Finance audited, year-end financial statements on or before March 31, 1999.

(5) Should NACI collect customer deposits, it shall establish and maintain an escrow account, held by an unaffiliated third party, and shall notify the Commission Staff of the escrow arrangement. Any escrow arrangement established pursuant to this order shall be maintained for such time as the Staff or Commission determines necessary.

(6) NACI shall provide tariffs to the Division of Communications which conform with all applicable Commission rules and regulations.

(7) There being nothing further to come before the Commission, this case shall be dismissed and the papers herein placed in the file for ended causes.

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[1] See 20 VAC 5-400-180.

[2] See 20 VAC 5-400-60.

CASE NO. PUC970190
APRIL 14, 1998

APPLICATION OF
BELL ATLANTIC-VIRGINIA, INC.

To implement extended local service from its Richmond exchange to its Powhatan exchange

FINAL ORDER

On December 12, 1997, Bell Atlantic-Virginia, Inc. ("BA-VA" or the "Company") filed an application with the State Corporation Commission ("Commission") pursuant to the provisions of Va. Code § 56-484.2. BA-VA proposed to notify its Richmond exchange subscribers of the increases in monthly rates that would be necessary to extend their local service to include the Powhatan exchange. Customers in the Powhatan exchange had previously petitioned the Commission for local calling to Richmond. In a poll conducted in response to the petition, a majority of the Powhatan customers responding supported paying higher rates for local calling to Richmond. A poll of Richmond subscribers was not required under § 56-484.2(A) of the Code of Virginia because the proposed rate increase does not exceed 5% of the existing monthly one-party residential rate.

By order dated January 13, 1998, the Commission directed BA-VA to publish notice of the proposed increase. Affected telephone customers were given until March 18, 1998, to file comments or request a hearing on the proposal. One comment objecting to the proposal was received. No requests for a hearing were filed. On March 5, 1998, BA-VA filed proof of notice as required by the Commission's January 13, 1998 order.

On March 31, 1998, the Commission's Staff submitted its report regarding the Company's application. The Staff recommended that BA-VA's application to implement extended local service from its Richmond exchange to its Powhatan exchange be approved. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) The proposed extension of local service from BA-VA's Richmond exchange to its Powhatan exchange shall be implemented.

(2) The Company shall implement the tariff revisions necessary for the proposed extension of local service.

(3) There being nothing further to come before the Commission, this docket is closed and the papers filed herein shall be placed in the file for ended causes.

CASE NO. PUC970191
APRIL 14, 1998

APPLICATION OF
BELL ATLANTIC-VIRGINIA, INC.

To implement extended local service from its Petersburg exchange to its McKenney exchange

FINAL ORDER

On December 12, 1997, Bell Atlantic-Virginia, Inc. ("BA-VA" or the "Company") filed an application with the State Corporation Commission ("Commission") pursuant to the provisions of Va. Code § 56-484.2. BA-VA proposed to notify its Petersburg exchange subscribers of the increases in monthly rates that would be necessary to extend their local service to include the McKenney exchange. Customers in the McKenney exchange had previously petitioned the Commission for local calling to Petersburg. In a poll conducted in response to the petition, a majority of the McKenney customers responding supported paying higher rates for local calling to Petersburg. A poll of Petersburg subscribers was not required under § 56-484.2(A) of the Code of Virginia because the proposed rate increase does not exceed 5% of the existing monthly one-party residential rate.

By order dated January 13, 1998, the Commission directed BA-VA to publish notice of the proposed increase. Affected telephone customers were given until March 18, 1998, to file comments or request a hearing on the proposal. One comment in support of this proposal was received. No requests for a hearing were filed. On March 5, 1998, BA-VA filed proof of notice as required by the Commission's January 13, 1998 order.

On March 31, 1998, the Commission's Staff submitted its report regarding the Company's application. The Staff recommended that BA-VA's application to implement extended local service from its Petersburg exchange to its McKenney exchange be approved. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) The proposed extension of local service from BA-VA's Petersburg exchange to its McKenney exchange shall be implemented.

(2) The Company shall implement the tariff revisions necessary for the proposed extension of local service.

(3) There being nothing further to come before the Commission, this docket is closed and the papers filed herein shall be placed in the file for ended causes.

CASE NO. PUC970192
APRIL 14, 1998

APPLICATION OF
BELL ATLANTIC-VIRGINIA, INC.

To implement extended local service from its Fredericksburg exchange to its Brokenburg exchange

FINAL ORDER

On December 12, 1997, Bell Atlantic-Virginia, Inc. ("BA-VA" or the "Company") filed an application with the State Corporation Commission ("Commission") pursuant to the provisions of Va. Code § 56-484.2. BA-VA proposed to notify its Fredericksburg exchange subscribers of the increases in monthly rates that would be necessary to extend their local service to include the Brokenburg exchange. Customers in the Brokenburg exchange had previously petitioned the Commission for local calling to Fredericksburg. In a poll conducted in response to the petition, a majority of the Brokenburg customers responding supported paying higher rates for local calling to Fredericksburg. A poll of Fredericksburg subscribers was not required under § 56-484.2(A) of the Code of Virginia because the proposed rate increase does not exceed 5% of the existing monthly one-party residential rate.

By order dated January 13, 1998, the Commission directed BA-VA to publish notice of the proposed increase. Affected telephone customers were given until March 18, 1998, to file comments or request a hearing on the proposal. No comments or requests for a hearing were filed. On March 5, 1998, BA-VA filed proof of notice as required by the Commission's January 13, 1998 order.

On March 31, 1998, the Commission's Staff submitted its report regarding the Company's application. The Staff recommended that BA-VA's application to implement extended local service from its Fredericksburg exchange to its Brokenburg exchange be approved. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) The proposed extension of local service from BA-VA's Fredericksburg exchange to its Brokenburg exchange shall be implemented.

(2) The Company shall implement the tariff revisions necessary for the proposed extension of local service.

(3) There being nothing further to come before the Commission, this docket is closed and the papers filed herein shall be placed in the file for ended causes.

CASE NO. PUC970193
APRIL 14, 1998

APPLICATION OF
BELL ATLANTIC-VIRGINIA, INC.

To implement extended local service from its Lynchburg exchange to Peoples Mutual Telephone Company, Inc.'s Hurt exchange

FINAL ORDER

On December 12, 1997, Bell Atlantic-Virginia, Inc. ("BA-VA" or the "Company") filed an application with the State Corporation Commission ("Commission") pursuant to the provisions of Va. Code § 56-484.2. BA-VA proposed to notify its Lynchburg exchange subscribers of the increases in monthly rates that would be necessary to extend their local service to include the Peoples Mutual Telephone Company, Inc.'s ("Peoples") Hurt exchange. Customers in the Hurt exchange had previously petitioned the Commission for local calling to Lynchburg. In a poll conducted in response to the petition, a majority of the Hurt customers responding supported paying higher rates for local calling to Lynchburg. A poll of Lynchburg subscribers was not required under § 56-484.2(A) of the Code of Virginia because the proposed rate increase does not exceed 5% of the existing monthly one-party residential rate.

By order dated January 13, 1998, the Commission directed BA-VA to publish notice of the proposed increase. Affected telephone customers were given until March 18, 1998. to file comments or request a hearing on the proposal. No comments or requests for a hearing were filed. On March 5, 1998, BA-VA filed proof of notice as required by the Commission's January 13, 1998 order.

On March 31, 1998, the Commission's Staff submitted its report regarding the Company's application. The Staff recommended that BA-VA's application to implement extended local service from its Lynchburg exchange to Hurt exchange be approved. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) The proposed extension of local service from BA-VA's Lynchburg exchange to its Peoples Mutual Telephone Company Inc.'s Hurt exchange shall be implemented in a manner suitable to the two companies.

(2) The two Companies shall implement the tariff revisions necessary for the proposed extension of local service.

(3) There being nothing further to come before the Commission, this docket is closed and the papers filed herein shall be placed in the file for ended causes.

CASE NO. PUC970194
MAY 19, 1998

APPLICATION OF
CENTRAL TELEPHONE COMPANY OF VIRGINIA

To implement extended local service from its Blackstone exchange to its Victoria exchange

FINAL ORDER

On December 22, 1997, the Central Telephone Company of Virginia ("Centel" or "the Company") filed an application with the State Corporation Commission ("Commission") pursuant to the provisions of § 56-484.2 of the Code of Virginia. Centel proposed to notify its Blackstone exchange subscribers of the increases in monthly rates that would be necessary to extend their local service to include the Victoria exchange. Customers in the Victoria exchange had previously petitioned the Commission for local calling to Blackstone. In a poll conducted in response to the petition, a majority of the Victoria customers responding supported paying higher rates for local calling to Blackstone. A poll of Blackstone subscribers was not required under § 56-484.2 of the Code of Virginia because the resulting rate increase is due solely to rate regrouping.

By order dated January 6, 1998, the Commission directed Centel to publish notice of the proposed increase. However, because the agency that publishes Centel's public notices inadvertently caused the wrong notice to be published, the Commission issued an Amending Order on February 17, 1998 allowing Centel to publish its notice by March 6, 1998. Affected telephone customers were given until April 6, 1998, to file comments or request a hearing on the proposal. No comments or requests for hearing were received. On March 18, Centel filed proof of notice as required by the February 17, 1998 order.

On April 20, 1998, the Commission's Staff submitted its report regarding the Company's application. The Staff recommended that Centel's application to implement local service from its Blackstone exchange to its Victoria exchange be approved. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) The proposed extension of local service from Centel's Blackstone exchange to its Victoria exchange shall be implemented.

(2) The company shall implement the tariff revisions necessary for the proposed extension of local service.

(3) There being nothing further to come before the Commission, this docket is closed and the papers filed herein shall be placed in the file for ended causes.

CASE NO. PUC970195
MARCH 18, 1998

APPLICATION OF
UNITED TELEPHONE-SOUTHEAST, INC.
and
CENTRAL TELEPHONE COMPANY OF VIRGINIA

For approval of an interconnection agreement under § 252(e) of the Telecommunications Act of 1996 with Dakota Services Limited

ORDER APPROVING AGREEMENT

On December 24, 1997, United Telephone-Southeast, Inc. and Central Telephone Company of Virginia ("United/Centel") filed a joint application for Commission approval, pursuant to §§ 251 and 252 of the Telecommunications Act of 1996, 47 U.S.C. §§ 251 and 252, of their interconnection agreement with Dakota Services Limited ("Dakota") dated August 18, 1997 (the "Agreement").

The Commission has constitutional and statutory duties to regulate the operations of telecommunications public service companies to assure conformance to the public interest. See Va. Const. Art. IX sec. 2 and § 56.35 of the Code of Virginia. This authority has been reaffirmed by the enactment of § 56.235.5.B and § 56.265.4:4.C.1. Whether the Commission is authorizing alternative forms of regulation or certificating competitive providers, it must assure the continuation of quality local exchange service and protect the public interest. Notwithstanding their negotiated agreement, United/Centel, Dakota, and all other providers of local exchange service must comply with all statutory standards and Commission rules and regulations.

Counsel for United/Centel indicated that a copy of the Agreement was served on the modified service list in this case as defined in the Commission's Procedural Rules for Implementing §§ 251 and 252 of the Telecommunications Act of 1996, as adopted in Case No. PUC960059, 20 VAC 5-400-190, ("procedural rules"). Comments were to be filed on or before January 14, 1998, and none were received.

Pursuant to the provisions of § 252(e)(2)(A) of the Act, the Commission may reject the proposed Agreement only if it is found to be inconsistent with the public interest, convenience and necessity or if it is found discriminatory to other carriers. Since there is no indication that the agreement violates any of those standards, the Commission finds that the Agreement should be approved. It should not, however, be viewed as Commission precedent for other agreements. The Agreement is directly binding only on United/Centel and Dakota. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) Pursuant to the Commission's authority to regulate public service companies as authorized by the Virginia Constitution, Art. IX sec. 2 and § 56-35 of the Code of Virginia, the interconnection agreement submitted by United/Centel and Dakota is hereby approved as complying with § 252(e) of the Act.

(2) Pursuant to § 252(h) of the Act, a copy of this Agreement shall be kept on file in the Commission's Division of Communications for inspection by the public.

(3) This matter is continued generally for the consideration of any subsequent revisions or amendments to the Agreement.

CASE NO. PUC970197
MARCH 31, 1998

APPLICATION OF
LEVEL 3 COMMUNICATIONS, LLC

For certificates of public convenience and necessity to provide local and interexchange telecommunications services

FINAL ORDER

On January 13, 1998, Level 3 Communications, LLC ("Level 3" or "Applicant") filed a completed application for certificates of public convenience and necessity to provide local and interexchange telecommunications services throughout the Commonwealth of Virginia.

By order dated February 2, 1998, the Commission directed the Applicant to provide notice to the public of its application, directed the Commission Staff to conduct an investigation and file a report, and scheduled a public hearing to receive evidence relevant to Level 3's application. On March 10, 1998, the Staff filed its report finding that Level 3's application was in compliance with the Commission's Rules for Local Exchange Telephone Competition, as adopted in Case No. PUC950018,[1] and the Commission's Rules Governing the Certification of Interexchange Carriers, as amended in Case No. PUC850035[2]. Based upon its review of Level 3's application and audited financial statements of its parent, the Staff determined it would be appropriate to grant a local exchange certificate and interexchange certificate to Level 3.

A hearing was conducted on March 19, 1998. Level 3 filed proof of publication and proof of service as required by the February 2, 1998 scheduling order. At the hearing, the application and accompanying attachments and the Staff report were entered into the record without objection.

Having considered the application and the Staff report, the Commission finds that Level 3's application should be granted. Having considered § 56-481.1, the Commission also finds that Level 3 may price its interexchange services competitively.

Accordingly, IT IS THEREFORE ORDERED THAT:

(1) Level 3 Communications, LLC is hereby granted a certificate of public convenience and necessity, No. TT-47A, to provide interexchange service subject to the restrictions set forth in the Commission's Rules Governing the Certification of Interexchange Carriers, § 56-265.4:4 of the Code of Virginia, and the provisions of this order.

(2) Pursuant to § 56-481.1 of the Code of Virginia, Level 3 may price its interexchange services competitively.

(3) Level 3 Communications, LLC is hereby granted a certificate of public convenience and necessity, No. T-409, to provide local exchange telecommunications service subject to the restrictions set forth in the Commission's Rules for Local Exchange Telephone Competition, § 56-265.4:4 of the Code of Virginia, and the provisions of this order.

(4) Level 3 shall provide tariffs to the Division of Communications which conform with all applicable Commission rules and regulations.

(5) There being nothing further to come before the Commission, this case shall be dismissed and the papers herein placed in the file for ended causes.

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[1] See 20 VAC 5-400-180.

[2] See 20 VAC 5-400-60.

CASE NO. PUC970197
APRIL 6, 1998

APPLICATION OF
LEVEL 3 COMMUNICATIONS, LLC

For certificates of public convenience and necessity to provide local and interexchange telecommunications services

CORRECTING ORDER

In an order dated March 31, 1998, the Commission granted Level 3 Communications, LLC ("Level 3") certificates of public convenience and necessity to provide local and interexchange telecommunications services throughout the Commonwealth of Virginia. Ordering paragraph (1) of that Order incorrectly referenced the number of the certificate of public convenience and necessity authorizing Level 3 to provide interexchange service as Certificate No. TT-47A. That number should have been referenced as No. TT-49A. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) Ordering paragraph (1) of our order of March 31, 1998, be, and hereby is, corrected to reference the number of the certificate of public convenience and necessity authorizing Level 3 to provide interexchange service as No. TT-49A rather than No. TT-47A.

(2) All other provisions of our order dated March 31, 1998, shall remain in full force and effect.

(3) There being nothing further to be done this case shall be dismissed and the papers herein placed in the file for ended causes.

CASE NO. PUC970198
MAY 5, 1998

APPLICATION OF
FOCAL COMMUNICATIONS CORPORATION OF VIRGINIA

For certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services

FINAL ORDER

On December 31, 1997, Focal Communications Corporation of Virginia ("Focal" or "Applicant") filed an application for certificates of public convenience and necessity to provide local and interexchange telecommunications services throughout the Commonwealth of Virginia.

By order dated February 3, 1998, the Commission directed the Applicant to provide notice to the public of its application, directed the Commission Staff to conduct an investigation and file a report, and scheduled a public hearing to receive evidence relevant to Focal's application for a certificate to provide local exchange service.

On March 10, 1998, the Staff filed its report finding that Focal's application was in compliance with the Commission's Rules for Local Exchange Telephone Competition, as adopted in Case No. PUC950018,[1] and the Commission's Rules Governing the Certification of Interexchange Carriers, as amended in Case No. PUC850035,[2] subject to Focal furnishing proof of service and newspaper notice at the commencement of the scheduled hearing. Based upon its review of Focal's application and confidential, audited financial statements for its parent, Focal Communication Corporation, Staff determined that it would be appropriate to grant Focal a local exchange certificate and an interexchange certificate.

A hearing was conducted on March 19, 1998. Applicant provided proof of publication of newspaper notice as directed by the Commission's February 3, 1998 Order. However, at the hearing, Focal acknowledged that it did not provide notice to local exchange companies("LECs") and interexchange carriers ("IXCs") certificated in Virginia and requested that the Commission grant it additional time to provide such notice.

In an order dated March 20, 1998, the Commission established a revised procedural schedule for notice and comment. The Commission noted that, if there were no requests for the hearing to be reconvened, the Commission might grant the requested certificates based upon the exhibits received at the March 19, 1998 hearing.

There was one written comment filed supporting the application. There were no notices of protest or requests that the hearing be reconvened.

On April 8, 1998, the Applicant provided proof of notice as directed in the Commission's Order dated March 20, 1998.

Having considered the application and the Staff report, the Commission finds that Focal's application should be granted. Having considered § 56-481.1. The Commission also finds that Focal may price its interexchange services competitively. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) Focal is hereby granted a certificate of public convenience and necessity, No. TT-51A. to provide interexchange service subject to the restrictions set forth in the Commission's Rules Governing the Certification of Interexchange Carriers, § 56-265.4:4 of the Code of Virginia, and the provisions of this order.

(2) Focal is hereby granted a certificate of public convenience and necessity, No. T-411, to provide local exchange telecommunications service subject to the restrictions set forth in the Commission's Rules for Local Exchange Telephone Competition, § 56-265.4:4 of the Code of Virginia, and the provisions of this order.

(3) Focal shall provide tariffs to the Division of Communications which conform with all applicable Commission rules and regulations.

(4) Pursuant to § 56-481.1 of the Code of Virginia, Focal may price its interexchange service competitively.

(5) There being nothing further to come before the Commission, this case shall be dismissed and the papers placed in the file for ended causes.

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[1] See 20 VAC 5-400-180.

[2] See 20 VAC 5-400-60.

CASE NO. PUC980001
MARCH 24, 1998

APPLICATION OF
NORTHPOINT COMMUNICATIONS OF VIRGINIA, INC.

For certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services

FINAL ORDER

On January 7, 1998, NorthPoint Communications of Virginia, Inc. ("NorthPoint" or "Applicant") filed an application for certificates of public convenience and necessity ("certificate") to provide local exchange and interexchange telecommunications services throughout the Commonwealth of Virginia.

By Order dated January 29, 1998, the Commission directed the Applicant to provide notice to the public of its application, directed the Commission Staff to conduct an investigation and file a report, and scheduled a public hearing to receive evidence relevant to NorthPoint's application. On March 5, 1998, the Staff filed its report finding that NorthPoint's application was in compliance with the Commission's Rules for Local Exchange Telephone Competition, as adopted in Case No. PUC950018, except that NorthPoint did not provide audited financial statements, and the Commission's Rules Governing the Certification of Interexchange Carriers, as amended in Case No. PUC850035. Based upon its review of NorthPoint's application and unaudited financial statements, the Staff determined it would be appropriate to grant an interexchange certificate to the Company and a local exchange certificate to NorthPoint subject to two conditions: (1) any customer deposits collected by the Company shall be retained in an unaffiliated third-party escrow account until such time as the Staff or Commission determines is necessary; and (2) the Company shall provide audited 1997 year-end financial statements to the Staff on or before July 1, 1998.

A hearing was conducted on March 19, 1998. NorthPoint filed proof of publication and proof of service as required by the January 29, 1998 scheduling order. At the hearing, the application and accompanying attachments, and the Staff report were entered into the record without objection.

Having considered the application and the Staff report, the Commission finds that NorthPoint's application should be granted. Having considered § 56-481.1, the Commission also finds that NorthPoint may price its interexchange services competitively. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) NorthPoint Communications of Virginia, Inc. is hereby granted a certificate of public convenience and necessity, No. TT-46A, to provide interexchange service subject to the restrictions set forth in the Commission's Rules Governing the Certification of Interexchange Carriers, § 56-265.4:4 of the Code of Virginia, and the provisions of this order.

(2) NorthPoint Communications of Virginia, Inc. is hereby granted a certificate of public convenience and necessity, No. T-406, to provide local exchange telecommunications service subject to the restrictions set forth in the Commission's Rules for Local Exchange Telephone Competition, § 56-265.4:4 of the Code of Virginia, and the provisions of this order.

(3) NorthPoint shall provide tariffs to the Division of Communications which conform with all applicable Commission rules and regulations.

(4) NorthPoint shall provide to the Division of Economics and Finance audited, year-end 1997 financial statements on or before July 1, 1998.

(5) Should NorthPoint collect customer deposits, it shall establish and maintain an escrow account, held by a third party, to hold such funds, and shall notify the Commission Staff of the escrow arrangement. Any escrow arrangement established pursuant to this order shall be maintained for such time as the Staff or Commission determines necessary.

(6) Pursuant to § 56-481.1 of the Code of Virginia, NorthPoint may price its interexchange service competitively.

(7) There being nothing further to come before the Commission, this case shall be dismissed and the papers herein placed in the file for ended causes.

CASE NO. PUC980003
JANUARY 26, 1998

APPLICATION OF
MFS INTELENET OF VIRGINIA, INC.

To amend its certificate to reflect new corporate name

ORDER REISSUING CERTIFICATE

On January 12, 1998, MFS Intelenet of Virginia, Inc. ("MFS") requested the Commission to enter an order revising its certificate of public convenience and necessity, No. T-359, to reflect its new corporate name. By order dated September 15, 1997, the Commission authorized MFS to change its corporate name to "WorldCom Technologies of Virginia, Inc." The necessary steps to effect the corporate name change were completed on December 9, 1997.

The Commission is of the opinion that a revised certificate of public convenience and necessity should be granted. Accordingly, IT IS ORDERED THAT:

(1) This matter is docketed and assigned Case No. PUC980003;

(2) Certificate of Public Convenience and Necessity No. T-359 is hereby canceled and shall be reissued as Certificate No. T-359a in the name of WorldCom Technologies of Virginia, Inc.;

(3) The applicant shall file any necessary tariff revisions, reflecting the authorization granted herein, with the Commission's Division of Communications within 60 days of the entry of this Order; and

(4) There being nothing further to come before the Commission in this matter, the case is dismissed.

CASE NO. PUC980004
MARCH 24, 1998

APPLICATION OF
STARPOWER COMMUNICATIONS, LLC

For certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services

FINAL ORDER

On January 16, 1998, Starpower Communications, LLC ("Starpower" or "Applicant") filed an application for certificates of public convenience and necessity ("certificates") to provide local exchange and interexchange telecommunications services throughout Virginia.

By Order dated February 2, 1998, the Commission directed that the Applicant provide notice to the public of its application, directed the Commission Staff to conduct an investigation and file a report, and scheduled a public hearing to receive evidence relevant to Starpower's application. On March 9, 1998, the Staff filed its report finding that Starpower's application was in compliance with the Commission's Rules for Local Exchange Competition, as adopted in Case No. PUC950018, and the Commission's Rules Governing the Certification of Interexchange Carriers, as amended in Case No. PUC850035. Based upon its review of Starpower's application and its financial statements, the Staff determined it would be appropriate to grant local exchange and interexchange certificates as requested.

The hearing was conducted on March 19, 1998. Starpower filed proof of publication and proof of service as required by the February 2, 1998 Scheduling Order. At the hearing, the application and accompanying attachments, and the Staff's Report were entered into the record without objection.

Having considered the application and the Staff Report, the Commission finds that Starpower's application should be granted. Having considered § 56-481.1, the Commission also finds that Starpower may price its interexchange services competitively. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) Starpower Communications, LLC is hereby granted a certificate of public convenience and necessity, No. TT-47A, to provide interexchange service subject to the restrictions set forth in the Commission's Rules Governing the Certification of Interexchange Carriers, § 56-265.4:4 of the Code of Virginia, and the provisions of this order.

(2) Starpower Communications, LLC is hereby granted a certificate of public convenience and necessity, No. T-407, to provide local exchange telecommunications service subject to the restrictions set forth in the Commission's Rules for Local Exchange Telephone Competition, § 56-265.4:4 of the Code of Virginia, and the provisions of this order.

(3) Starpower Communications, LLC shall provide tariffs to the Division of Communications which conform with all applicable Commission rules and regulations.

(4) Pursuant to § 56-481.1 of the Code of Virginia, Starpower may price its interexchange service competitively.

(5) There being nothing further to come before the Commission, this case shall be dismissed and the papers herein placed in the file for ended causes.

CASE NO. PUC980005
APRIL 8, 1998

APPLICATION OF
BELL ATLANTIC-VIRGINIA, INC.

For permission to withdraw Centrex Extend Service as a generally available service

ORDER

On December 31, 1997, Bell Atlantic-Virginia, Inc. ("BA-VA" or "Company") filed a tariff in which it proposed to withdraw Centrex Extend Service as a generally available service, effective February 1, 1998. In addition, the Company proposed that existing Centrex Extend Service customers

under a long-term pricing arrangement not be able to renew their arrangement upon its expiration, but instead be required to revert to a month-to-month pricing arrangement.

On January 29, 1998, the Commission entered an order suspending the proposed tariff revisions, directing publication of notice of the application and establishing a period in which comments or hearing requests could be filed by interested parties. That period has lapsed without any such filings.

Based upon the record, and the absence of public complaint or comment, the Commission is of the opinion that the tariff should be accepted and the case closed. Accordingly, IT IS ORDERED that:

(1) The tariff filing of Bell Atlantic-Virginia withdrawing Centrex Extend service as a generally available service and modifying the availability of the service to existing customers under long-term pricing arrangements is accepted; and

(2) There being nothing further to come before the Commission, this case is dismissed.

CASE NO. PUC980006
APRIL 15, 1998

APPLICATION OF
GTE SOUTH INCORPORATED
and
WINSTAR WIRELESS OF VIRGINIA, INCORPORATED

For approval of interconnection agreement under § 252(e) of the Telecommunications Act of 1996

ORDER APPROVING AGREEMENT

On January 16, 1998, GTE South Incorporated ("GTE") and WinStar Wireless of Virginia, Incorporated ("WinStar") filed for Commission approval, pursuant to §§ 251 and 252 of the Telecommunications Act of 1996 ("the Act"), 47 U.S.C. §§ 251 and 252, their interconnection agreement ("Agreement").

This Agreement establishes the terms, conditions and prices for the mutual exchange and termination of traffic originating on each party's network and the purchase by WinStar of unbundled network elements and certain resale services from GTE. However, this Agreement provides for two sets of prices. The first set of prices is the GTE Terms, and the second set is to be shown in Appendix 44B, which will be the rates ultimately established in the GTE/MCI Interconnection, Resale and Unbundling Agreement.[1] The Agreement provides for WinStar to select the option of accepting the MCI rates, terms, and conditions once those are established in an interconnection agreement between GTE and MCI, unless those rates are deemed unlawful, or are stayed or enjoined. In that event, the GTE rates, terms and conditions would apply and be effective retroactive to the effective date of the Agreement. According to its terms, the parties' Agreement shall become effective ten (10) business days after approval by the Commission.

The Commission has constitutional and statutory duties to regulate the operations of telecommunications public service companies to assure conformance to the public interest. See Va. Const. Art. IX, sec. 2 and § 56-35 of the Code of Virginia. This authority has been reaffirmed by the enactment of § 56-235.5.B and § 56-265.4:4.C.1. Whether the Commission is authorizing alternative forms of regulation or certificating competitive providers, it must assure the continuation of quality local exchange service and protect the public interest. Notwithstanding their negotiated agreement, GTE, WinStar, and all other providers of local exchange service must comply with all statutory standards and Commission rules and regulations.

Counsel for GTE and WinStar indicated that a copy of the Agreement was serviced on the modified service list in this case as defined in the Commission's Procedural Rules for Implementing §§ 251 and 252 of the Telecommunications Act of 1996, as adopted in Case No. PUC960059, 20 VAC 5-400-190, ("procedural rules"). Comments were to be filed on or before February 6, 1998, and none were received.

As required by § A(2) of the procedural rules, we have reviewed the negotiated portions of the agreement pursuant to § 252(e)(2)(A) of the Act. Under these criteria, we find no reason to reject this agreement. However, there is at least one portion of the agreement that requires our attention.

In XVII, Section 41, "Amendment of Certain Rates, Terms and Conditions", the following language appears:

> The rates, terms and conditions (including rates which may be applicable under true-up) specified in both the "GTE Terms" and the "MCI Terms" are further subject to amendment, retroactive to the Effective Date of the Agreement, to provide for charges or rate adjustments resulting from future Commission or other proceedings, including but not limited to any generic proceeding to determine GTE's unrecovered costs (e.g., historic costs, contribution, undepreciated reserve deficiency, or similar unrecovered GTE costs (including GTE's end user surcharge), the establishment of a competitively neutral universal service system, or any appeal or other litigation.

The Commission is concerned the language here not be interpreted to define or mandate the parameters for any future Commission proceeding. If and when the Commission conducts any further proceeding(s) to determine prices applicable to interconnection for GTE, it will do as it is required and in accordance with the pricing standards established in § 252(d) of the Act. The parties are free to negotiate activities that they themselves will conduct, but the parties cannot agree to bind or direct future Commission actions. To the extent that there are other sections of the Agreement that attempt to bind the Commission's future actions, they shall not be enforceable.

[1] The final interconnection agreement between GTE and MCI docketed as Case No. PUC960124 has not yet been approved. A number of issues remain unresolved between the parties and are still pending resolution by the Commission.

Despite the above comments, we find that the Agreement should be approved. The Agreement is binding only on GTE and WinStar and should not be viewed as precedent for other agreements. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) Pursuant to the Commission's authority to regulate public service companies as authorized by the Virginia Constitution, Art. IX, § 2 and § 56-35 of the Code of Virginia, the interconnection agreement submitted by GTE and WinStar is hereby approved as complying with § 252(e) of the Act.

(2) Pursuant to § 252(h) of the Act, a copy of this Agreement shall be kept on file in the Commission's Division of Communications for inspection by the public.

(3) This matter is continued generally for the consideration of any subsequent revisions or amendments to the Agreement.

CASE NO. PUC980007
MARCH 24, 1998

APPLICATION OF
BELL ATLANTIC - VIRGINIA, INC.

To classify its Prepaid Calling Service as Competitive Pursuant to Paragraph 4 of its Plan for Alternative Regulation

FINAL ORDER

On November 6, 1997, Bell Atlantic-Virginia, Inc. ("BA-VA") filed its application to classify its Prepaid Calling Service as competitive under Paragraph 4 of BA-VA's Plan for Alternative Regulation ("Plan"). By Order of January 30, 1998, the Commission determined that BA-VA's notice to Virginia's certificated interexchange carriers satisfied Paragraph 4.A of the Plan. That Order also provided notice to all affected parties as required by Paragraph 4.A.2 of the Plan and scheduled a hearing for March 19, 1998, to receive evidence about the application.

When the hearing was convened March 19, the Commission received the prefiled direct testimony of Ralph J. Silvestri on behalf of BA-VA and the prefiled direct testimony of Larry J. Cody on behalf of the Commission Staff. Also, BA-VA agreed to revise its tariff according to the suggestion in Mr. Cody's testimony. Having considered the evidence submitted at the hearing and the lack of opposition, the Commission finds that BA-VA's Prepaid Calling Service should be classified as Competitive pursuant to Paragraph 4.A of the BA-VA Plan. BA-VA's application and the testimony submitted satisfy the requirements of Paragraph 3 of Bell Atlantic's Plan and § 56-235.5.F of the Code of Virginia in that competition in the marketplace is an effective regulator of the price of Prepaid Calling Service due to (i) the ease of market entry and (ii) the presence of other providers reasonably meeting the needs of consumers.

Accordingly, IT IS THEREFORE ORDERED THAT:

(1) BA-VA's Prepaid Calling Service as filed herein is hereby classified as Competitive pursuant to Paragraph 4.A of the BA-VA Plan for alternative regulation.

(2) There being nothing further to come before the Commission, this case is dismissed and the record developed herein shall be placed in the file for ended causes.

CASE NO. PUC980008
MAY 4, 1998

APPLICATION OF
GTE SOUTH INCORPORATED
and
ATLANTIC TELECOM INCORPORATED

For approval of interconnection agreement under § 252(e) of the Telecommunications Act of 1996

ORDER OF DISMISSAL

On February 3, 1998, GTE South Incorporated ("GTE") and Atlantic Telecom Incorporated ("Atlantic") filed for Commission approval, pursuant to §§ 251 and 252 of the Telecommunications Act of 1996 ("the Act"), 47 U.S.C. §§ 251 and 252, their interconnection agreement ("Agreement"). However, on May 1, 1998, GTE and Atlantic filed a Joint Motion to withdraw that Agreement and substitute an amended one later.

The parties' request should be granted because the Agreement filed February 3 no longer represents the current contract between them. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) The request to withdraw the filing of February 3, 1998, is hereby granted.

(2) When the parties file their new agreement, it will be assigned a new case number and considered for expedited treatment as requested.

(3) This matter is dismissed and the papers filed herein shall be placed in the file for ended causes.

CASE NO. PUC980010
APRIL 17, 1998

APPLICATION OF
XCOM TELEPHONY OF VIRGINIA, INC.

For certificates of public convenience and necessity to provide local exchange telecommunications services and intrastate interexchange services

DISMISSAL ORDER

By Order of March 16, 1998, the Commission established certain notice requirements and filing deadlines leading up to an April 29, 1998 public hearing to consider XCOM Telephony of Virginia, Inc.'s ("XCOM's") applications for certificates of public convenience and necessity. By letter filed April 10, 1998, XCOM withdrew its application.

The Commission accepts the withdrawal and finds that this matter should be dismissed.

Accordingly, IT IS THEREFORE ORDERED THAT this matter is dismissed and the papers collected herein shall be placed in the file for ended causes.

CASE NO. PUC980012
APRIL 8, 1998

APPLICATION OF
BELL ATLANTIC-VIRGINIA, INC.
and
ATX TELECOMMUNICATIONS SERVICES, LTD.

For approval of an interconnection agreement under § 252(e) of the Telecommunications Act of 1996

ORDER APPROVING AGREEMENT

On February 18, 1998, Bell Atlantic-Virginia, Inc. ("BA-VA") and ATX Telecommunications Services, Ltd. ("ATX") filed for Commission approval, pursuant to §§ 251 and 252 of the Telecommunications Act of 1996 ("Act"), 47 U.S.C. §§ 251 and 252, their interconnection agreement ("Agreement"). The Agreement was described as a resale agreement dated December 15, 1997.

The Commission has constitutional and statutory duties to regulate the operations of telecommunications public service companies to assure conformance to the public interest. See VA Const. Art. IX, § 2 and § 56-35 of the Code of Virginia. This authority has been reaffirmed by the enactment of § 56-235.5.B and § 56-265.4:4.C.1. Whether the Commission is authorizing alternative forms of regulation or certificating competitive providers, it must assure the continuation of quality local exchange service and protect the public interest. Notwithstanding their negotiated agreement, BA-VA, ATX, and all other providers of local exchange service must comply with all statutory standards and Commission rules and regulations.

Counsel for BA-VA and ATX indicated that a copy of the Agreement was served on the modified service list in this case as defined in the Commission's Procedural Rules for Implementing §§ 251 and 252 of the Act, as adopted in Case No. PUC960059, 20 VAC 5-400-190, ("procedural rules"). Comments were to be filed on or before March 11, 1998, and none were received.

We have one area of concern with the Agreement. Section 28.2 under the heading of "Responsibility for Charges" appears to obligate ATX to pay BA-VA for certain services provided by parties other than BA-VA regardless of whether ATX is paid for those charges by its customers. This agreement between ATX and BA-VA does not affect the rights of end users to dispute such charges and does not excuse either company from complying with the Commission's billing and collection rules. Notwithstanding this concern, the Commission finds that the Agreement should be approved pursuant to the standards of § 252(e)(2)(A) of the Act. The Agreement does not discriminate against other carriers and conforms to § 252(i) in that it is available to other carriers. It should not, however, be viewed as Commission precedent for other agreements. The revised Agreement is directly binding only on BA-VA and ATX. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) Pursuant to the Commission's authority to regulate public service companies as authorized by the Virginia Constitution, Art. IX, § 2 and § 56-35 of the Code of Virginia, the interconnection agreement submitted by BA-VA and ATX is hereby approved as complying with § 252(e) of the Act.

(2) Pursuant to § 252(h) of the Act, a copy of this Agreement shall be kept on file in the Commission's Division of Communications for inspection by the public.

(3) This matter is continued generally for the consideration of any subsequent revisions or amendments to the agreement.

CASE NO. PUC980013
JUNE 5, 1998

APPLICATION OF
BELL ATLANTIC-VIRGINIA, INC.

To implement extended local service from its Toano exchange to its Providence Forge exchange

FINAL ORDER

On February 20, 1998, Bell Atlantic-Virginia, Inc. ("BA-VA" or the "Company") filed an application with the State Corporation Commission ("Commission") pursuant to the provisions of § 56-484.2 of the Code of Virginia. BA-VA proposed to notify its Toano exchange subscribers of the increases in monthly rates that would be necessary to extend their local service to include the Providence Forge exchange. Customers in the Providence Forge exchange had previously petitioned the Commission for local calling to Toano. In a poll conducted in response to the petition, a majority of the Providence Forge customers responding supported paying higher rates for local calling to Toano. A poll of Toano subscribers was not required under § 56-484.2(A) of the Code of Virginia because the proposed rate increase does not exceed 5% of the existing monthly one-party residential rate.

By order dated March 18, 1998, the Commission directed BA-VA to publish notice of the proposed increase. Affected telephone customers were given until May 13, 1998, to file comments or request a hearing on the proposal. No comments or requests for a hearing were received. On May 4, 1998, BA-VA filed proof of notice as required by the Commission's March 18, 1998 order.

On May 20, 1998, the Commission's Staff submitted its report regarding the Company's application. The Staff recommended that BA-VA's application to implement extended local service from its Toano exchange to its Providence Forge exchange be approved. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) The proposed extension of local service from BA-VA's Toano exchange to its Providence Forge exchange shall be implemented.

(2) The Company shall implement the tariff revisions necessary for the proposed extension of local service.

(3) There being nothing further to come before the Commission, this docket is closed and the papers filed herein shall be placed in the file for ended causes.

CASE NO. PUC980014
JUNE 5, 1998

APPLICATION OF
BELL ATLANTIC-VIRGINIA, INC.

To implement extended local service from its Williamsburg exchange to its Providence Forge exchange

FINAL ORDER

On February 20, 1998, Bell Atlantic-Virginia, Inc. ("BA-VA" or the "Company") filed an application with the State Corporation Commission ("Commission") pursuant to the provisions of § 56-484.2 of the Code of Virginia. BA-VA proposed to notify its Williamsburg exchange subscribers of the increases in monthly rates that would be necessary to extend their local service to include the Providence Forge exchange. Customers in the Providence Forge exchange had previously petitioned the Commission for local calling to Williamsburg. In a poll conducted in response to the petition, a majority of the Providence Forge customers responding supported paying higher rates for local calling to Williamsburg. A poll of Williamsburg subscribers was not required under § 56-484.2(A) of the Code of Virginia because the proposed rate increase does not exceed 5% of the existing monthly one-party residential rate.

By order dated March 18, 1998, the Commission directed BA-VA to publish notice of the proposed increase. Affected telephone customers were given until May 13, 1998, to file comments or request a hearing on the proposal. One comment objecting to the proposal was received. No requests for a hearing were filed. On May 4, 1998, BA-VA filed proof of notice as required by the Commission's March 18, 1998 order.

On May 20, 1998, the Commission's Staff submitted its report regarding the Company's application. The Staff recommended that BA-VA's application to implement extended local service from its Williamsburg exchange to its Providence Forge exchange be approved. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) The proposed extension of local service from BA-VA's Williamsburg exchange to its Providence Forge exchange shall be implemented.

(2) The Company shall implement the tariff revisions necessary for the proposed extension of local service.

(3) There being nothing further to come before the Commission, this docket is closed and the papers filed herein shall be placed in the file for ended causes.

CASE NO. PUC980015
APRIL 8, 1998

APPLICATION OF
BELL ATLANTIC-VIRGINIA, INC.
and
DYNAMIC TELCO SERVICES OF VIRGINIA, INC.

For approval of an interconnection agreement under § 252(e) of the Telecommunications Act of 1996

ORDER APPROVING AGREEMENT

On February 24, 1998, Bell Atlantic-Virginia, Inc. ("BA-VA") and Dynamic Telco Services of Virginia, Inc. ("Dynamic") filed for Commission approval, pursuant to §§ 251 and 252 of the Telecommunications Act of 1996 ("the Act"). 47 U.S.C. §§ 251 and 252, their interconnection agreement ("Agreement") dated January 1, 1998.

The Commission has constitutional and statutory duties to regulate the operations of telecommunications public service companies to assure conformance to the public interest. See VA Const. Art. IX, § 2 and § 56-35 of the Code of Virginia. This authority has been reaffirmed by the enactment of §§ 56-235.5.B and 56-265.4:4.C.1 of the Code of Virginia. Whether the Commission is authorizing alternative forms of regulation or certificating competitive telecommunications providers, it must assure the continuation of quality local exchange service and protect the public interest. Notwithstanding their negotiated agreement, Dynamic, BA-VA and all other providers of local exchange service must comply with all statutory standards and Commission rules and regulations.

Counsel for BA-VA and Dynamic indicated that a copy of the Agreement was served on the modified service list in this case as defined in the Commission's Procedural Rules for Implementing §§ 251 and 252 of the Act, as adopted in Case No. PUC960059, 20 VAC 5-400-190, ("procedural rules"). Comments were to be filed on or before March 17, 1998, and none were received.

The Commission finds that the Agreement should be approved pursuant to the standards of § 252(e)(2)(A) of the Act. This approval should not, however, be viewed as Commission precedent for other agreements or any statement of generally available terms submitted by BA-VA. The Agreement is directly binding only on BA-VA and Dynamic.

Accordingly, IT IS THEREFORE ORDERED THAT:

(1) Pursuant to the Commission's authority to regulate public service companies, as authorized by the Virginia Constitution, Art. IX, § 2 and § 56-35 of the Code of Virginia, the interconnection agreement submitted by BA-VA and Dynamic is hereby approved as complying with § 252(e) of the Act.

(2) Pursuant to § 252(h) of the Act, a copy of this Agreement shall be kept on file in the Commission's Division of Communications for inspection by the public.

(3) This matter is continued generally for the consideration of any subsequent revisions or amendments to the Agreement.

CASE NO. PUC980016
JUNE 8, 1998

APPLICATION OF
CENTRAL TELEPHONE COMPANY OF VIRGINIA

To implement extended local service from its Charlottesville exchange to the Greenwood exchange

FINAL ORDER

On February 27, 1998, the Central Telephone Company of Virginia ("Centel" or "the Company") filed an application with the State Corporation Commission ("Commission") pursuant to the provisions of Virginia Code § 56-484.2. Centel proposed to notify its Charlottesville exchange subscribers of the increases in monthly rates that would be necessary to extend their local service to include the Greenwood exchange. The application states that telephone subscribers in Bell Atlantic-Virginia's ("Bell Atlantic") Greenwood exchange petitioned the Commission for local calling to Charlottesville. In a poll conducted in response to the petition, a majority of the Greenwood customers responding supported paying higher rates for local calling to Charlottesville. A poll of Charlottesville subscribers was not required under § 56-484.2(A) of the Code of Virginia because the proposed rate increase does not exceed 5% of the existing monthly one-party residential rate.

By order dated March 18, 1998, the Commission directed Centel to publish notice of the proposed increase. Affected telephone customers were given until May 18, 1998, to file comments or request a hearing on the proposal. No comments or requests for hearing were received. On April 19, 1998, Centel filed proof of notice as required by the Commission's May 18, 1998 order.

On May 20, 1998, the Commission's Staff submitted its report regarding the Company's application. The Staff recommended that Centel's application to implement extended local service from its Charlottesville exchange to BA-VA's Greenwood exchange be approved. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) The proposed extension of local service from Centel's Charlottesville exchange to BA-VA's Greenwood exchange shall be implemented.

(2) The Company shall implement the tariff revisions necessary for the proposed extension of local service.

(3) There being nothing further to come before the Commission, this docket is closed and the papers filed herein shall be placed in the file for ended causes.

CASE NO. PUC980017
JUNE 8, 1998

APPLICATION OF
CENTRAL TELEPHONE COMPANY OF VIRGINIA

To implement extended local service from its Crozet exchange to the Greenwood exchange

FINAL ORDER

On February 27, 1998, the Central Telephone Company of Virginia ("Centel" or "the Company") filed an application with the State Corporation Commission ("Commission") pursuant to the provisions of Virginia Code § 56-484.2. Centel proposed to notify its Crozet exchange subscribers of the increases in monthly rates that would be necessary to extend their local service to include the Greenwood exchange. The application states that telephone subscribers in Bell-Atlantic-Virginia's ("Bell Atlantic") Greenwood exchange petitioned the Commission for local calling to Crozet. The subscribers of the Greenwood exchange were polled regarding their willingness to pay that increase for local calling to Crozet. This survey passed with 70% favoring the increased local calling. A poll of Crozet subscribers was not required under § 56-484.2(A) of the Code of Virginia because the proposed rate increase does not exceed 5% of the existing monthly one-party residential rate.

By order dated March 18, 1998, the Commission directed Centel to publish notice of the proposed increase. Affected telephone customers were given until May 18, 1998, to file comments or request a hearing on the proposal. No comments or requests for hearing were received. On April 19, 1998, Centel filed proof of notice as required by the Commission's March 18, 1998 order.

On May 20, 1998, the commission's Staff submitted its report regarding the Company's application. The Staff recommended that BA-VA's application to implement extended local service from its Crozet exchange to BA-VA's Greenwood exchange be approved. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) The proposed extension of local service from Centel's Crozet exchange to BA-VA's Greenwood exchange shall be implemented.

(2) The Company shall implement the tariff revisions necessary for the proposed extension of local service.

(3) There being nothing further to come before the Commission, this docket is closed and the papers filed herein shall be placed in the file for ended causes.

CASE NO. PUC980018
MAY 15, 1998

APPLICATION OF
BELL ATLANTIC-VIRGINIA, INC.
and
NUSTAR COMMUNICATIONS CORPORATION

For approval of an interconnection agreement under § 252 (e) of the Telecommunications Act of 1996

ORDER APPROVING AGREEMENT

On March 4, 1998, Bell Atlantic-Virginia, Inc. ("BA-VA") and NuStar Communications Corp. ("NuStar") filed for Commission approval pursuant to §§ 251 and 252 of the Telecommunications Act of 1996 ("Act"), 47 U.S.C. §§ 251 and 252 their interconnection agreement ("Agreement"). The Agreement was described as a resale agreement effective as of November 9, 1997.

The Commission has constitutional and statutory duties to regulate the operations of telecommunications public service companies to assure conformance to the public interest. See VA Const. Art. IX, § 2 and § 56-35 of the Code of Virginia. This authority has been reaffirmed by the enactment of § 56-235.5.B and § 56-265.4:4.C.1. Although the Commission is authorizing alternative forms of regulation or certificating competitive providers, it must assure the continuation of quality local exchange service and protect the public interest. Notwithstanding their negotiated agreement, BA-VA, NuStar, and all other providers of local exchange service must comply with all statutory standards and Commission rules and regulations.

Counsel for BA-VA and NuStar indicated that a copy of the agreement was served on the modified service list in this case as defined in the Commission's Procedure Rules for Implementing §§ 251 and 252 of the Act, as adopted in Case No. PUC960059, 20 VAC 5-400-190, ("procedural rules"). Comments were to be filed on or before March 25, 1998, and none were received.

We have one area of concern with the Agreement. Section 30.2 under the heading of "Responsibility for Charges" appears to obligate NuStar to pay BA-VA for certain services provided by parties other than BA-VA regardless of whether NuStar is paid for those charges by its customers. This

agreement between NuStar and BA-VA does not affect the rights of end users to dispute such charges and does not excuse either company from complying with the Commission's billing and collection rules. Notwithstanding this concern, the Commission finds that the Agreement should be approved pursuant to the standards of § 252(e)(2)(A) of the Act. The Agreement does not discriminate against other carriers and conforms to § 252(i) in that it is available to other carriers. It should not, however, be viewed as Commission precedent for other agreements. The Agreement is directly binding only on BA-VA and NuStar. Accordingly,

IT IS THEREFORE ORDERED THAT:

1. Pursuant to the Commission's authority to regulate public service companies as authorized by the Virginia Constitution, Article IX, § 2 and § 56-35 of the Code of Virginia, the interconnection agreement submitted by BA-VA and NuStar is hereby approved, as complying with § 252(e) of the Act.

2. Pursuant to § 252(h) of the Act, a copy of this Agreement shall be kept on file in the Commission's Division of Communications for inspection by the public.

3. The matter is continued generally for the consideration of any subsequent revisions or amendments to the Agreement.

CASE NO. PUC980019
APRIL 17, 1998

APPLICATION OF
BELL ATLANTIC-VIRGINIA, INC.
and
BUSINESS TELECOM, INC.

For approval of an interconnection agreement under § 252(e) of the Telecommunications Act of 1996

ORDER APPROVING AGREEMENT

On March 4, 1998, Bell Atlantic-Virginia, Inc. ("BA-VA") and Business Telecom, Inc. ("BTI") filed for Commission approval, pursuant to §§ 251 and 252 of the Telecommunications Act of 1996 ("the Act"), 47 U.S.C. §§ 251 and 252, their interconnection agreement ("Agreement") dated February 11, 1998.

The Commission has constitutional and statutory duties to regulate the operations of telecommunications public service companies to assure conformance to the public interest. See VA Const. Art. IX, § 2 and § 56-35 of the Code of Virginia. This authority has been reaffirmed by the enactment of §§ 56-235.5.B and 56-265.4:4.C.1 of the Code of Virginia. Whether the Commission is authorizing alternative forms of regulation or certificating competitive telecommunications providers, it must assure the continuation of quality local exchange service and protect the public interest. Notwithstanding their negotiated agreement, BTI, BA-VA and all other providers of local exchange service must comply with all statutory standards and Commission rules and regulations.

Counsel for BA-VA and BTI indicated that a copy of the Agreement was served on the modified service list in this case as defined in the Commission's Procedural Rules for Implementing §§ 251 and 252 of the Act, as adopted in Case No. PUC960059, 20 VAC 5-400-190, ("procedural rules"). Comments were to be filed on or before March 25, 1998, and none were received.

The Commission finds that the Agreement should be approved pursuant to the standards of § 252(e)(2)(A) of the Act. This approval should not, however, be viewed as Commission precedent for other agreements or any statement of generally available terms submitted by BA-VA. The Agreement is directly binding only on BA-VA and BTI.

Accordingly, IT IS THEREFORE ORDERED THAT:

(1) Pursuant to the Commission's authority to regulate public service companies, as authorized by the Virginia Constitution, Art. IX, § 2 and § 56-35 of the Code of Virginia, the interconnection agreement submitted by BA-VA and Business Telecom, Inc. is hereby approved as complying with § 252(e) of the Act.

(2) Pursuant to § 252(h) of the Act, a copy of this Agreement shall be kept on file in the Commission's Division of Communications for inspection by the public.

(3) This matter is continued generally for the consideration of any subsequent revisions or amendments to the Agreement.

CASE NO. PUC980022
JUNE 8, 1998

JOINT APPLICATION OF
CENTRAL TELEPHONE COMPANY OF VIRGINIA
and
UNITED TELEPHONE-SOUTHEAST, INC.

For approval of resale agreement with Tel-Link, Inc. under § 252(e) of the Telecommunications Act of 1996

ORDER APPROVING AGREEMENT

On March 9, 1998, the Central Telephone Company of Virginia ("Centel") and United Telephone-Southeast, Inc. ("United") filed their joint resale agreement with Tel-Link, Inc. ("Tel-Link"). The three parties seek Commission approval of their resale agreement dated February 19, 1998 ("Agreement") pursuant to §§ 251 and 252 of the Telecommunications Act of 1996 ("the Act"), 47 U.S.C. §§ 251 and 252.

This Agreement establishes the terms, conditions, and prices for the purchase by Tel-Link of certain retail services from Centel and United.

The Commission has constitutional and statutory duties to regulate the operations of telecommunications public service companies to assure conformance to the public interest. See Va. Const. Art. IX, sec. 2 and § 56-35 of the Code of Virginia. This authority has been reaffirmed by the enactment of § 56-235.5.B and § 56-265.4:4.C.1. Whether the Commission is authorizing alternative forms of regulation or certificating competitive providers, it must assure the continuation of quality local exchange service and protect the public interest. Notwithstanding their negotiated agreement, Centel and United, Tel-Link, and all other providers of local exchange service must comply with all statutory standards and Commission rules and regulations.

Counsel for Centel and United indicated that a copy of the Agreement was served on the modified service list in this case as defined in the Commission's Procedural Rules for Implementing §§ 251 and 252 of the Telecommunications Act of 1996, as adopted in Case No. PUC960059, 20 VAC 5-400-19 ("procedural rules"). Comments were to be filed on or before March 30, 1998.

As required by § A(2) of the procedural rules, we have reviewed the negotiated portions of the Agreement pursuant to § 252(e)(2)(A) of the Act. Under these criteria, we find no reason to reject this Agreement. The Agreement does not discriminate against other carriers and is consistent with the public interest. We find that it should be approved. The Agreement is binding only on Centel, United, and Tel-Link and should not be viewed as precedent for other agreements. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) Pursuant to the Commission's authority to regulate public service companies as authorized by the Virginia Constitution, Art. IX, § 2 and § 56-35 of the Code of Virginia, the interconnection agreement submitted by Centel, United, and Tel-Link is hereby approved as complying with § 252(e) of the Act.

(2) Pursuant to § 252(h) of the Act, a copy of this Agreement shall be kept on file in the Commission's Division of Communications for inspection by the public.

(3) This matter is continued generally for the consideration of any subsequent revisions or amendments to the Agreement.

CASE NO. PUC980023
JUNE 8, 1998

JOINT APPLICATION OF
CENTRAL TELEPHONE COMPANY OF VIRGINIA
and
UNITED TELEPHONE-SOUTHEAST, INC.

For approval of interconnection agreement with United States Cellular, Incorporated under § 252(e) of the Telecommunications Act of 1996

ORDER APPROVING AGREEMENT

On March 9, 1998, the Central Telephone Company of Virginia ("Centel") and United Telephone-Southeast, Inc. ("United") filed their joint interconnection agreement with United States Cellular, Incorporated ("U.S. Cellular"). The three parties seek Commission approval of their interconnection agreement dated August 21, 1997 ("Agreement") pursuant to §§ 251 and 252 of the Telecommunications Act of 1996 ("the Act"), 47 U.S.C. §§ 251 and 252.

This Agreement establishes the terms, conditions, and prices for the mutual exchange and termination of traffic originating on each party's network.

The Commission has constitutional and statutory duties to regulate the operations of telecommunications public service companies to assure conformance to the public interest. See Va. Const. Art. IX, sec. 2 and § 56-35 of the Code of Virginia. This authority has been reaffirmed by the enactment of § 56-235.5.B and § 56-265.4:4.C.1. Whether the Commission is authorizing alternative forms of regulation or certificating competitive providers, it must assure the continuation of quality local exchange service and protect the public interest. Notwithstanding their negotiated agreement, Centel and United, U.S. Cellular, and all other providers of local exchange service must comply with all statutory standards and Commission rules and regulations.

Counsel for Centel and United indicated that a copy of the Agreement was served on the modified service list in this case as defined in the Commission's Procedural Rules for Implementing §§ 251 and 252 of the Telecommunications Act of 1996, as adopted in Case No. PUC960059, 20 VAC 5-400-19 ("procedural rules"). Comments were to be filed on or before March 30, 1998.

As required by § A(2) of the procedural rules, we have reviewed the negotiated portions of the Agreement pursuant to § 252(e)(2)(A) of the Act. Under these criteria, we find no reason to reject this Agreement. The Agreement does not discriminate against other carriers and is consistent with the public interest. We find that it should be approved. The Agreement is binding only on Centel, United, and U.S. Cellular and should not be viewed as precedent for other agreements. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) Pursuant to the Commission's authority to regulate public service companies as authorized by the Virginia Constitution, Art. IX, § 2 and § 56-35 of the Code of Virginia, the interconnection agreement submitted by Centel, United, and U. S. Cellular is hereby approved as complying with § 252(e) of the Act.

(2) Pursuant to § 252(h) of the Act, a copy of this Agreement shall be kept on file in the Commission's Division of Communications for inspection by the public.

(3) This matter is continued generally for the consideration of any subsequent revisions or amendments to the Agreement.

CASE NO. PUC980024
MAY 8, 1998

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
MCI TELECOMMUNICATIONS CORPORATION OF VIRGINIA,
Defendant

ORDER ON RULE TO SHOW CAUSE

On April 24, 1998, the Commission entered a Rule to Show Cause directing MCI Telecommunications Corporation of Virginia ("MCIV") to appear and show cause why it should not be (i) required to comply with the Commission's interexchange carrier tariff and customer notification rules; (ii) enjoined from continuing its current manner of billing Virginia intrastate customers for its "Federal Universal Service Fee" ("FUSF") and "National Access Fee;" ("NAF") and (iii) why it should not be required to refund to such customers all amounts collected in excess of its intrastate tariffed rates.

The matter was brought on for hearing on Thursday, May 7, 1998. Appearances were entered by Sarah Hopkins Finley, Esquire, James J.R. Scheltema, Esquire, and Mary L. Brown, Esquire, for MCIV and by William H. Chambliss, Esquire, for the Commission Staff. MCIV and the Staff agreed there were no factual issues in dispute between them. The Commission received argument of counsel on the allegations set forth in the Rule to Show Cause.

NOW THE COMMISSION having heard the argument of counsel, and having considered the pleadings, and applicable statutes and rules, is of the opinion and finds that MCIV is in violation of Commission rules and orders and should be enjoined forthwith from billing the FUSF and the usage-based NAF on intrastate calls placed by customers in Virginia; further enjoined from any future application of the FUSF to intrastate calls of its residential customers; directed to refund, with appropriate interest as set out below, all moneys illegally collected based on Virginia intrastate calls by Virginia consumers.

The facts, as noted above, are not in dispute. The Commission's Rules for Certification of Interexchange Carriers require all such carriers to notify customers in advance of any increases in the carrier's rates for intrastate services. Further, MCIV is, like other interexchange carriers, under orders to file with the Commission's Division of Communications any change in rates or tariffs.

On January 1, 1998, MCIV began imposing on certain Virginia customers the FUSF and the NAF. MCIV did not notify its customers of the impending imposition of these fees and has not filed tariffs with the Division of Communications reflecting these charges.

At the hearing, MCIV put forth argument in its defense that the imposition of these charges was permissible under a federal tariff filed by its affiliate, MCI Telecommunications Corporation, under authority of the Federal Communications Commission ("FCC"), as set out in the Telecommunications Act of 1996 (47 U.S.C. 152 et seq.) and certain FCC orders.

One charge, the FUSF, is designed to recover federally imposed obligations on carriers to support certain universal service mechanisms. MCIV argued that the FCC's Report and Order of May 8, 1997, in CC Docket No. 96-45, permits it to impose a charge on both interstate and intrastate services to recover this cost. The other charge, the NAF, recovers part of the interstate portion of non-traffic sensitive loop costs. MCIV states that, effective April 1, 1998, is has changed the manner in which it collects the NAF from a usage basis to a per-line basis and that there is now no disagreement with the Staff as to its collection.

MCIV argued that the FCC had accepted its affiliate's FUSF tariff and thus MCIV had no obligation to file appropriate revisions to intrastate tariffs, nor notify customers as required by our rules. MCIV also stated that it was not over-recovering its funding obligations and had not structured its recovery mechanism to be a "profit center."

The Staff argued that the FCC's Report and Order clearly and unambiguously requires carriers to recover their contributions for the FUSF from rates for interstate services only, citing Paragraphs 809 and 829 of that document, and Paragraph 107 of the FCC's subsequent Report to Congress, dated April 10, 1998, also filed in CC Docket No. 96-45. The Staff further argued that various paragraphs in the Report and Order and the Report to Congress

demonstrate that recovery of universal service fund obligations was not to be made via intrastate rate changes. The Staff requested the Commission to enjoin the Company from further collections of the FUSF and the NAF from rates for intrastate services and to direct MCIV to make refunds, with interest, to its customers for all collections illegally made.

The Commission agrees with the Staff that the FCC's Report and Order clearly, unequivocally and unambiguously requires that carriers must recover their universal service contributions only through their rates for interstate services only. There is no uncertainty as to this point.

The Commission agrees to some considerable extent with counsel for MCIV that the Telecommunications Act of 1996 and subsequent FCC orders have created a "mess" for carriers. However, MCIV's argument that there is sufficient latitude in the Report and Order to permit it to collect universal service contributions in intrastate rates is wholly without support. Further, MCIV's contention that the filing of a federal tariff by its affiliate, MCI Telecommunications Corporation, allows it to make changes to rates for intrastate calling is also without support. Carriers cannot make changes to rates for their intrastate services at the FCC. For that, they must comply with the regulations and orders of this Commission. The law is well-settled on this point.

Accordingly, IT IS ORDERED THAT:

(1) MCIV is enjoined forthwith from billing the FUSF and the usage-based NAF on intrastate calls placed by its business customers in Virginia.

(2) MCIV is further enjoined from the future application of the FUSF to bills for intrastate services of its residential customers in Virginia.

(3) MCIV is directed to refund, within 60 days of the date of this Order, and with appropriate interest, all such moneys illegally collected from Virginia consumers for its usage-based FUSF and the NAF.

(4) Interest upon such refunds shall be computed from January 1, 1998, until the date refunds are made, at an average prime rate for each calendar quarter. The applicable average prime rate for each calendar quarter shall be the arithmetic mean, to the nearest one hundredth of one percent, of the prime rate values published in the Federal Reserve Bulletin or the Federal Reserve's Selected Interest Rates (Statistical Release G.13), for the three months of the preceding calendar quarter, and shall be compounded quarterly.

(5) The refunds ordered above will be accomplished by credit to each customer's account for current customers. MCIV shall make refunds to former customers by mailing a check to the last known address of the customer.

(6) On or before October 1, 1998, MCIV shall file with the Division of Communications a document showing that all refunds have been lawfully made pursuant to this order.

(7) There being nothing further to come before the Commission, this matter is dismissed from the docket of active cases.

CASE NO. PUC980026
JUNE 23, 1998

APPLICATION OF
CENTRAL TELEPHONE COMPANY OF VIRGINIA

To implement extended local service from its Martinsville exchange to its Bachelors Hall exchange

FINAL ORDER

On March 17, 1998, the Central Telephone Company of Virginia ("Centel" or "the Company") filed an application with the State Corporation Commission ("Commission") pursuant to the provisions of Virginia Code § 56-484.2. Centel proposed to notify its Martinsville exchange subscribers of the increases in monthly rates that would be necessary to extend their local service to include the Bachelors Hall exchange. The application states that telephone subscribers in the Bachelors Hall exchange petitioned the Commission for local calling to Martinsville. The subscribers of the Bachelors Hall exchange were polled regarding their willingness to pay an increase for local calling to Martinsville. The majority of those responding supported the proposal. A poll of Martinsville subscribers was not required under § 56-484.2(A) of the Code of Virginia because the proposed rate increase does not exceed 5% of the existing monthly one-party residential rate.

By order dated April 8, 1998, the Commission directed Centel to publish notice of the proposed increase. Affected telephone customers were given until June 8, 1998, to file comments or request a hearing on the proposal. No comments or requests for hearing were received. On May 21, 1998, Centel filed proof of notice as required by the Commission's April 8, 1998 Order.

On June 17, 1998, the Commission's Staff submitted its report regarding the Company's application. The Staff recommended that Centel's application to implement extended local service from its Martinsville exchange to its Bachelors Hall exchange be approved. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) The proposed extension of local service from Centel's Martinsville exchange to its Bachelors Hall exchange shall be implemented.

(2) The Company shall implement the tariff revisions necessary for the proposed extension of local service.

(3) There being nothing further to come before the Commission, this docket is closed and the papers filed herein shall be placed in the file for ended causes.

CASE NO. PUC980045
MAY 20, 1998

APPLICATION OF
ACI CORP.-VIRGINIA

For certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services

FINAL ORDER

On March 26, 1998, ACI Corp.-Virginia ("ACI-VA" or "Applicant") completed its application for certificates of public convenience and necessity ("certificate") to provide local exchange and interexchange telecommunications services throughout the Commonwealth of Virginia.

By Order dated April 2, 1998, the Commission directed the Applicant to provide notice to the public of its application, directed the Commission Staff to conduct an investigation and file a report, and scheduled a public hearing to receive evidence relevant to ACI-VA's application. On May 1, 1998, the Staff filed its report finding that ACI-VA's application was in compliance with the Commission's Rules for Local Exchange Telephone Competition, as adopted in Case No. PUC950018, and the Commission's Rules Governing the Certification of Interexchange Carriers, as amended in Case No. PUC850035. Based upon its review of ACI-VA's application, the Staff has recommended that the Commission grant a certificate of public convenience and necessity to provide interexchange telecommunications services to ACI-VA as well as a certificate to provide local exchange telecommunications services containing the following condition: that customer deposits collected by the Applicant be retained in an unaffiliated third-party escrow account until such time as the Staff or Commission determines it is no longer necessary.

A hearing was conducted on May 14, 1998. ACI-VA filed proof of publication and proof of service as required by the April 2, 1998 Order. At the hearing, the proof of notice, the application and accompanying attachments, and the Staff report were entered into the record without objection.

Having considered the application and the Staff report, the Commission finds that ACI-VA's application should be granted subject to the condition referenced above. Having considered § 56-481.1 of the Code of Virginia, the Commission also finds that ACI-VA may price its interexchange services competitively.

Accordingly, IT IS THEREFORE ORDERED THAT:

(1) ACI Corp.-Virginia is hereby granted a certificate of public convenience and necessity, No. TT-52A, to provide interexchange service subject to the restrictions set forth in the Commission's Rules Governing the Certification of Interexchange Carriers, § 56-265.4:4 of the Code of Virginia, and the provisions of this Order.

(2) ACI Corp.-Virginia is hereby granted a certificate of public convenience and necessity, No. T-412, to provide local exchange telecommunications service subject to the restrictions set forth in the Commission's Rules for Local Exchange Telephone Competition, § 56-265.4:4 of the Code of Virginia, and the provisions of this Order.

(3) ACI-VA shall provide tariffs to the Division of Communications which conform with all applicable Commission rules and regulations.

(4) Should ACI-VA collect customer deposits for local exchange services, it shall establish and maintain an escrow account held by a third party, to hold such funds, and shall notify the Commission Staff of the escrow arrangement. Any escrow arrangement established pursuant to this Order shall be maintained for such time as the Staff or Commission determines necessary.

(5) Pursuant to § 56-481.1 of the Code of Virginia, ACI-VA may price its interexchange services competitively.

(6) There being nothing further to come before the Commission, this case shall be dismissed and the papers herein placed in the file for ended causes.

CASE NO. PUC980047
JUNE 26, 1998

APPLICATION OF
MFN OF VA, L.L.C.

For certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services

FINAL ORDER

On April 10, 1998, MFN of VA, L.L.C. ("MFNVA" or "Applicant") completed its application for certificates of public convenience and necessity ("certificate") to provide local exchange and interexchange telecommunications services throughout the Commonwealth of Virginia.

By Order dated April 21, 1998, the Commission directed the Applicant to provide notice to the public of its application, directed the Commission Staff to conduct an investigation and file a report, and scheduled a public hearing to receive evidence relevant to MFNVA's application. On June 12, 1998, the Staff filed its report finding that MFNVA's application was in compliance with the Commission's Rules for Local Exchange Telephone Competition, as adopted in Case No. PUC950018, and the Commission's Rules Governing the Certification of Interexchange Carriers, as amended in Case No. PUC850035. Based upon its review of MFNVA's application, the Staff has recommended that the Commission grant a certificate of public convenience and necessity to provide interexchange telecommunications services to MFNVA as well as a certificate to provide local exchange telecommunications services.

A hearing was conducted on June 25, 1998. MFNVA filed proof of publication and proof of service as required by the April 21, 1998 Order. At the hearing, the proof of notice, the application and accompanying attachments, and the Staff report were entered into the record without objection.

Having considered the application and the Staff report, the Commission finds that MFNVA's application should be granted. Having considered § 56-481.1 of the Code of Virginia, the Commission also finds that the Applicant may price its interexchange services competitively.

Accordingly, IT IS ORDERED THAT:

(1) MFN of VA, L.L.C. is hereby granted a certificate of public convenience and necessity, No. TT-53A, to provide interexchange services subject to the restrictions set forth in the Commission's Rules Governing the Certification of Interexchange Carriers, § 56-265.4:4 of the Code of Virginia, and the provisions of this Order.

(2) MFN of VA, L.L.C. is hereby granted a certificate of public convenience and necessity, No. T-413, to provide local exchange telecommunications services subject to the restrictions set forth in the Commission's Rules for Local Exchange Telephone Competition, § 56-265.4:4 of the Code of Virginia, and the provisions of this Order.

(3) MFNVA shall provide tariffs to the Division of Communications which conform with all applicable Commission rules and regulations.

(4) Pursuant to § 56-481.1 of the Code of Virginia, MFNVA may price its interexchange services competitively.

(5) There being nothing further to come before the Commission, this case shall be dismissed and the papers herein placed in the file for ended causes.

CASE NO. PUC980048
JUNE 24, 1998

JOINT APPLICATION OF
THE CENTRAL TELEPHONE COMPANY OF VIRGINIA
and
BELL ATLANTIC-VIRGINIA, INC.

For approval of an interconnection agreement under § 252(e) of the Telecommunications Act of 1996

ORDER APPROVING AGREEMENT

On March 27, 1998, Bell Atlantic-Virginia, Inc. ("BA-VA") and the Central Telephone Company of Virginia ("Centel") filed for Commission approval, pursuant to §§ 251 and 252 of the Telecommunications Act of 1996 ("the Act"), 47 U.S.C. §§ 251 and 252, their interconnection agreement ("Agreement") dated and effective August 1, 1997.

The Commission has constitutional and statutory duties to regulate the operations of telecommunications public service companies to assure conformance to the public interest. See Va. Const. Art. IX, sec. 2 and § 56-35 of the Code of Virginia. This authority has been reaffirmed by the enactment of § 56-235.5.B and § 56-265.4:4.C.1. Whether the Commission is authorizing alternative forms of regulation or certificating competitive providers, it must assure the continuation of quality local exchange service and protect the public interest. Notwithstanding their negotiated agreement, BA-VA, Centel, and all other providers of local exchange service must comply with all statutory standards and Commission rules and regulations.

Counsel for BA-VA and Centel indicated that a copy of the Agreement was served on the modified service list in this case as defined in the Commission's Procedural Rules for Implementing §§ 251 and 252 of the Telecommunications Act of 1996, as adopted in Case No. PUC960059, 20 VAC 5-400-190, ("procedural rules"). Comments were to be filed on or before April 17, 1998, and none were received.

As required by § A(2) of the procedural rules, we have reviewed the Agreement pursuant to § 252(e)(2)(A) of the Act. Under these criteria, we find no reason to reject this Agreement. We find that the Agreement should be approved. The Agreement is binding only on BA-VA and Centel and should not be viewed as precedent for any other agreements. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) Pursuant to the Commission's authority to regulate public service companies as authorized by the Virginia Constitution, Art. IX, § 2 and § 56-35 of the Code of Virginia, the interconnection agreement submitted by BA-VA and Centel is hereby approved as complying with § 252(e) of the Act.

(2) Pursuant to § 252(h) of the Act, a copy of this Agreement shall be kept on file in the Commission's Division of Communications for inspection by the public.

(3) This matter is continued generally for the consideration of any subsequent revisions or amendments to the Agreement.

CASE NO. PUC980049
JUNE 24, 1998

JOINT APPLICATION OF
UNITED TELEPHONE-SOUTHEAST, INC.
and
BELL ATLANTIC-VIRGINIA, INC.

For approval of an interconnection agreement under § 252(e) of the Telecommunications Act of 1996

ORDER APPROVING AGREEMENT

On March 27, 1998, Bell Atlantic-Virginia, Inc. ("BA-VA") and United Telephone-Southeast Inc. ("United") filed for Commission approval, pursuant to §§ 251 and 252 of the Telecommunications Act of 1996 ("the Act"), 47 U.S.C. §§ 251 and 252, their interconnection agreement ("Agreement") dated and effective August 1, 1997.

The Commission has constitutional and statutory duties to regulate the operations of telecommunications public service companies to assure conformance to the public interest. See Va. Const. Art. IX, sec. 2 and § 56-35 of the Code of Virginia. This authority has been reaffirmed by the enactment of § 56-235.5.B and § 56-265.4:4.C.1. Whether the Commission is authorizing alternative forms of regulation or certificating competitive providers, it must assure the continuation of quality local exchange service and protect the public interest. Notwithstanding their negotiated agreement, BA-VA, United, and all other providers of local exchange service must comply with all statutory standards and Commission rules and regulations.

Counsel for BA-VA and United indicated that a copy of the Agreement was served on the modified service list in this case as defined in the Commission's Procedural Rules for Implementing §§ 251 and 252 of the Telecommunications Act of 1996, as adopted in Case No. PUC960059, 20 VAC 5-400-190, ("procedural rules"). Comments were to be filed on or before April 17, 1998, and none were received.

As required by § A(2) of the procedural rules, we have reviewed the Agreement pursuant to § 252(e)(2)(A) of the Act. Under these criteria, we find no reason to reject this Agreement. We find that the Agreement should be approved. The Agreement is binding only on BA-VA and United and should not be viewed as precedent for any other agreements. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) Pursuant to the Commission's authority to regulate public service companies as authorized by the Virginia Constitution, Art. IX, § 2 and § 56-35 of the Code of Virginia, the interconnection agreement submitted by BA-VA and United is hereby approved as complying with § 252(e) of the Act.

(2) Pursuant to § 252(h) of the Act, a copy of this Agreement shall be kept on file in the Commission's Division of Communications for inspection by the public.

(3) This matter is continued generally for the consideration of any subsequent revisions or amendments to the Agreement.

CASE NO. PUC980050
JUNE 17, 1998

APPLICATION OF
GTE SOUTH INCORPORATED
AND
CONXUS NETWORK, INC.

For approval of interconnection agreement under § 252(e) of the Telecommunications Act of 1996

ORDER APPROVING AGREEMENT

On March 30, 1998, GTE South Incorporated ("GTE") and CONXUS Network, Inc. ("CONXUS"), filed for Commission approval, pursuant to §§ 251 and 252 of the Telecommunications Act of 1996 ("the Act"), 47 U.S.C. §§ 251 and 252, their interconnection agreement ("Agreement") dated March 6, 1998.

The Commission has constitutional and statutory duties to regulate the operations of the telecommunications public service companies to assure conformance to the public interest. See Va. Const. Art. IX § 2 and § 56-35 of the Code of Virginia. This authority has been reaffirmed by the enactment of § 56-235.5.B and § 56-265.4:4.C.1. Whether the Commission is authorizing alternative forms of regulation or certificating competitive providers, it must assure the continuation of quality local exchange service and protect the public interest. Notwithstanding their negotiated agreement, CONXUS, GTE, and all other providers of local exchange service must comply with all statutory standards and Commission rules and regulations.

Counsel for GTE and CONXUS, indicated that a copy of the Agreement was served on the modified service list in this case as defined in the Commission's Procedural Rules for Implementing §§ 251 and 252 of the Telecommunications Act of 1996, as adopted in Case No. PUC960059, 20 VAC 5-400-190. Comments were to be filed by April 20, 1998, and none were received.

The Commission finds that the Agreement should be approved pursuant to the standards of § 252(e)(2)(A) of the Act. It should not, however, be viewed as Commission precedent for other agreements. The Agreement is directly binding only GTE and CONXUS. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) Pursuant to the Commission's authority to regulate public service companies as authorized by the Virginia Constitution, Art. IX § 2 and § 56-35 of the Code of Virginia, the interconnection agreement submitted by GTE and CONXUS is hereby approved as complying with § 252(e) of the Act.

(2) Pursuant to § 252(h) of the Act, a copy of this Agreement shall be kept on file in the Commission's Division of Communications for inspection by the public.

(3) This case shall remain open to receive any subsequent amendments or revisions to the Agreement.

CASE NO. PUC980051
MAY 15, 1998

APPLICATION OF
GTE SOUTH INCORPORATED
and
JONES TELECOMMUNICATIONS INCORPORATED

For approval of interconnection agreement under § 252(e) of the Telecommunications Act of 1996

ORDER APPROVING AGREEMENT

On April 2, 1998, GTE South Incorporated ("GTE") and Jones Telecommunications Incorporated ("Jones") filed for Commission approval, pursuant to §§ 251 and 252 of the Telecommunications Act of 1996 ("the Act"), 47 U.S.C. §§ 251 and 252, their interconnection agreement ("Agreement").

This Agreement establishes the terms, conditions and prices for the mutual exchange and termination of traffic originating on each party's network and the purchase by Jones of certain resale services from GTE. However, this Agreement includes two sets of prices. The first prices are the GTE terms referenced in Appendix 45A, and the second prices are those in Appendix 45B, which are the rates established in the GTE/Cox Interconnection, Resale and Unbundling Agreement. The parties have agreed to utilize the rates, terms and conditions established in Appendix 45B unless those rates are deemed unlawful, or are stayed or enjoined, In that event, the GTE rates, terms and conditions in Appendix 45A would apply and be effective retroactive to the effective date of the Agreement.

The Commission has constitutional and statutory duties to regulate the operations of telecommunications public service companies to assure conformance to the public interest. See Va. Const. Art. IX sec. 2 and § 56.35 of the Code of Virginia. This authority has been reaffirmed by the enactment of § 56-235.5.B and § 56-265.4:4.C.1. Whether the Commission is authorizing alternative forms of regulation or certificating competitive providers, it must assure the continuation of quality local exchange service and protect the public interest. Notwithstanding their negotiated agreement, GTE, Jones, and all other providers of local exchange service must comply with all statutory standards and Commission rules and regulations.

Counsel for GTE and Jones indicated that a copy of the Agreement was served on the modified service list in this case as defined in the Commission's Procedural Rules for Implementing §§ 251 and 252 of the Telecommunications Act of 1996, as adopted in Case No. PUC960059, 20 VAC 5-400-190, ("procedural rules"). Comments were to be filed on or before April 23, 1998, and none were received.

As required by § A(2) of the procedural rules, we have reviewed the negotiated portions of the agreement pursuant to § 252(e)(2)(A) of the Act. Under these criteria, we find no reason to reject this agreement. However, there is at least one portion of the agreement that requires our attention.

In Article III, Section 45, "Amendment of Certain Rates Terms and Conditions", the following language appears:

> The rates, terms and conditions (including rates which may be applicable under true-up) specified in both the "GTE Terms" and the "Cox Fibernet Terms" are further subject to amendment, retroactive to the Effective Date of the Agreement, unless otherwise provided in this Agreement, to provide for charges or rates adjustments resulting from future Commission or other proceedings, including but not limited to any generic proceeding to determine GTE's unrecovered costs (e.g., historic costs, contribution, undepreciated reserve deficiency, or similar unrecovered GTE costs (including GTE's end user surcharge)), the establishment of a competitively neutral universal service system, or any appeal or other litigation.

The Commission is concerned the language here not be interpreted to define or mandate the parameters for any future Commission proceeding. If and when the Commission conducts any further proceeding(s) to determine prices applicable to interconnection for GTE, it will do as it is required and in accordance with the pricing standards established in § 252(d) of the Act. The parties are free to negotiate activities that they themselves will conduct, but the parties cannot agree to bind or direct future Commission actions. To the extent that there are other sections of the Agreement that attempt to bind the Commission's future actions, they shall not be enforceable.

Despite the above comments, we find that the Agreement should be approved. The Agreement is binding only on GTE and Jones and should not be viewed as precedent for other agreements. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) Pursuant to the Commission's authority to regulate public service companies as authorized by the Virginia Constitution, Art. IX § 2 and § 56-35 of the Code of Virginia, the interconnection agreement submitted by GTE and Jones is hereby approved as complying with § 252(e) of the Act.

(2) Pursuant to § 252(h) of the Act, a copy of this Agreement shall be kept on file in the Commission's Division of Communications for inspection by the public.

(3) This matter is continued generally for the consideration of any subsequent revisions or amendments to the Agreement.

CASE NO. PUC980052
JUNE 17, 1998

APPLICATION OF
BELL ATLANTIC-VIRGINIA, INC.
and
NORTH AMERICAN TELECOMMUNICATIONS CORPORATION

For approval of interconnection agreement under § 252(e) of the Telecommunications Act of 1996

ORDER APPROVING AGREEMENT

On April 3, 1998, Bell Atlantic-Virginia, Inc. ("BA-VA") and North American Telecommunications Corporation ("North American") filed for Commission approval, pursuant to §§ 251 and 252 of the Telecommunications Act of 1996 ("the Act"), 47 U.S.C. §§ 251 and 252, their interconnection agreement ("Agreement").

The Commission has constitutional and statutory duties to regulate the operations of telecommunications public service companies to assure conformance to the public interest. See Va. Const. Article IX § 2 and § 56-35 of the Code of Virginia. This authority has been reaffirmed by the enactment of § 56-235.5B and § 56-265.4:4.C.1. Whether the Commission is authorizing alternative forms of regulation or certificating competitive providers, it must assure the continuation of quality local exchange service and protect the public interest.

Notwithstanding their negotiated agreement, BA-VA, North American, and all other providers of local exchange service must comply with all statutory standards and Commission rules and regulations.

Counsel for BA-VA indicated that a copy of the Agreement was served on the modified service list in this case as defined in the Commission's Procedural Rules for Implementing §§ 251 and 252 of the Telecommunications Act of 1996, as adopted in Case No. PUC960059, 20 VAC 5-400-190. Comments were to be filed by April 24, 1998, and none were received.

We have one area of concern with the Agreement. Section 30.2 under the heading of "Responsibility for Charges" appears to obligate North American to pay BA-VA for certain services provided by parties other than BA-VA regardless of whether North American is paid for those charges by its customers. This agreement between North American and BA-VA does not affect the rights of end users to dispute such charges and does not excuse either company from complying with the Commission's billing and collection rules. Notwithstanding this concern, the Commission finds that the Agreement should be approved pursuant to the standards of § 252(e)(2)(A) of the Act. This approval should not, however, be viewed as Commission precedent for other agreements. The Agreement is directly binding only on BA-VA and North American. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) Pursuant to the Commission's authority to regulate public service companies as authorized by the Virginia Constitution, Article IX § 2 and § 56-35 of the Code of Virginia, the interconnection agreement submitted by BA-VA and North American is hereby approved, as complying with § 252(e) of the Act.

(2) Pursuant to § 252(h) of the Act, a copy of this Agreement shall be kept on file in the Commission's Division of Communications for inspection by the public.

(3) The matter is continued generally for the consideration of any subsequent amendments or revisions to the Agreement.

CASE NO. PUC980053
JUNE 26, 1998

APPLICATION OF
BELL ATLANTIC-VIRGINIA, INC.
and
US MOBILE SERVICES, INC.

For approval of an interconnection agreement under § 252 (e) of the Telecommunications Act of 1996

ORDER APPROVING AGREEMENT

On April 7, 1998, Bell Atlantic-Virginia, Inc. ("BA-VA") and US Mobile Services, Inc. ("US Mobile") filed for Commission approval pursuant to §§ 251 and 252 of the Telecommunications Act of 1996 ("Act"). 47 U.S.C. §§ 251 and 252, their interconnection agreement ("Agreement"). The Agreement was described as a resale agreement effective as of December 11, 1997.

The Commission has constitutional and statutory duties to regulate the operations of telecommunications public service companies to assure conformance to the public interest. See Va. Const. Art. IX, § 2 and § 56-35 of the Code of Virginia. This authority has been reaffirmed by the enactment of § 56-235.5.B and § 56-265.4:4.C.1. Whether the Commission is authorizing alternative forms of regulation or certificating competitive providers, it must assure the continuation of quality local exchange service and protect the public interest.

Notwithstanding their negotiated agreement, BA-VA, US Mobile, and all other providers of local exchange service must comply with all statutory standards and Commission rules and regulations.

Counsel for BA-VA indicated that a copy of the Agreement was served on the modified service list in this case as defined in the Commission's Procedural Rules for Implementing §§ 251 and 252 of the Act, as adopted in Case No. PUC960059, 20 VAC 5-400-190. Comments were to be filed on or before April 28, 1998, and none were received.

We have one area of concern with the Agreement. Section 30.2 under the heading of "Responsibility for Charges" appears to obligate US Mobile to pay BA-VA for certain services provided by parties other than BA-VA regardless of whether US Mobile is paid for those charges by its customers. This agreement between US Mobile and BA-VA does not affect the rights of end users to dispute such charges and does not excuse either company from complying with the Commission's billing and collection rules. Notwithstanding this concern, the Commission finds that the Agreement should be approved pursuant to the standards of § 252(e)(2)(A) of the Act. This approval should not, however, be viewed as Commission precedent for other agreements. The Agreement is directly binding only on BA-VA and US Mobile. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) Pursuant to the Commission's authority to regulate public service companies as authorized by the Virginia Constitution, Article IX, § 2 and § 56-35 of the Code of Virginia, the interconnection agreement submitted by BA-VA and US Mobile is hereby approved, as complying with § 252(e) of the Act.

(2) Pursuant to § 252(h) of the Act, a copy of this Agreement shall be kept on file in the Commission's Division of Communications for inspection by the public.

(3) The matter is continued generally for the consideration of any subsequent revisions or amendments to the Agreement.

CASE NO. PUC980054
JUNE 18, 1998

APPLICATION OF
BELL ATLANTIC-VIRGINIA, INC.
and
XCOM TELEPHONY OF VIRGINIA, INC.

For approval of an interconnection agreement under § 252(e) of the Telecommunications Act of 1996

ORDER APPROVING AGREEMENT

On April 9, 1998, Bell Atlantic-Virginia, Inc. ("BA-VA") and XCOM Telephony of Virginia, Inc. ("XCOM"), filed for Commission approval, pursuant to §§ 251 and 252 of the Telecommunications Act of 1996 ("the Act"), 47 U.S.C. §§ 251 and 252, their interconnection agreement ("Agreement") dated March 6, 1998.

The Commission has constitutional and statutory duties to regulate the operations of telecommunications public service companies to assure conformance to the public interest. See VA Const. Art. IX, § 2 and § 56-35 of the Code of Virginia. This authority has been reaffirmed by the enactment of §§ 56-235.5.B and 56-265.4:4.C.1 of the Code of Virginia. Whether the Commission is authorizing alternative forms of regulation or certificating competitive telecommunications providers, it must assure the continuation of quality local exchange service and protect the public interest. Notwithstanding their negotiated agreement, XCOM, BA-VA and all other providers of local exchange service must comply with all statutory standards and Commission rules and regulations.

Counsel for BA-VA and XCOM indicated that a copy of the Agreement was served on the modified service list in this case as defined in the Commission's Procedural Rules for Implementing §§ 251 and 252 of the Act, as adopted in Case No. PUC960059, 20 VAC 5-400-190, ("procedural rules"). Comments were to be filed on or before April 30, 1998, and none were received.

The Commission finds that the Agreement should be approved pursuant to the standards of § 252(e)(2)(A) of the Act. This approval should not, however, be viewed as Commission precedent for other agreements or any statement of generally available terms submitted by BA-VA. The Agreement is directly binding only on BA-VA and XCOM.

Accordingly, IT IS THEREFORE ORDERED THAT:

(1) Pursuant to the Commission's authority to regulate public service companies, as authorized by the Virginia Constitution, Art. IX, § 2 and § 56-35 of the Code of Virginia, the interconnection agreement submitted by BA-VA and XCOM is hereby approved as complying with § 252(e) of the Act.

(2) Pursuant to § 252(h) of the Act, a copy of this Agreement shall be kept on file in the Commission's Division of Communications for inspection by the public.

(3) This matter is continued generally for the consideration of any subsequent revisions or amendments to the Agreement.

CASE NO. PUC980056
MAY 27, 1998

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION

Ex Parte: In the matter of revising the telephone relay service surcharge pursuant to Article 5, Chapter 15, Title 56 of the Code of Virginia

ORDER

The 1998 Session of the Virginia General Assembly reauthorized the continuation of the Virginia Telecommunications Relay Center to furnish telephone relay service ("TRS"). In the Joint Conference Committee Report on House Bill No. 30, 1998 Session March 17, 1998, at p.48, the General Assembly specifically instructed the Department of Information Technology to require, in developing a request for proposals, that (1) the relay center be located in Norton, Virginia; (2) a minimum employment level of 104 full-time communications assistants be maintained; and (3) the contract be renewable for up to five years. These criteria effectively limit the bidding for the contract to furnish relay service to a single vendor.

By Order of October 5, 1990, in Case No. PUC900029, the Commission established the assessment, collection and disbursement of rate surcharges authorized by § 56-484.6 of the Code of Virginia in order to fund the relay center. Pursuant to that section and the directives of the General Assembly, it is the Commission's duty to assure adequate revenues to fund operation of the relay center in accordance with the conditions described above. The Department of Information Technology and AT&T Communications have reached an agreement that conforms to the General Assembly directives and substantially increases the per-minute charges for AT&T to operate the relay center under the conditions imposed. Based upon those charges, the Commission has determined that the ten cents surcharge established by our order of October 5, 1990, must be increased to sixteen cents in order to produce sufficient revenues to fund the operation of the relay center for the fiscal year commencing July 1, 1998. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) This matter is hereby docketed and assigned Case No. PUC980056.

(2) Commencing with telephone service rendered on and after September 1, 1998, each Virginia local exchange company ("LEC") shall impose a $.16 per month surcharge on each access line or equivalent Centrex access line and shall continue such surcharge monthly until further order of the Commission. LECs shall notify their customers of the increased surcharge. LECs shall continue to identify the surcharge on each customer bill as a line item named "Virginia Relay Center surcharge" or a suitable abbreviation of that phrase.

(3) Each Virginia LEC, on October 1, 1998, and monthly thereafter, shall, pursuant to instructions from the Director of the Division of Public Service Taxation, pay over to the Commission's Division of Public Service Taxation the funds collected from the surcharge, less a 2% commission as authorized by § 56-484.6B of the Code of Virginia.

(4) All Virginia LECs shall continue to comply with the Commission's Order of October 5, 1990, in Case No. PUC900029. In addition, all LECs shall (1) apply a total service uncollectible allowance, and (2) determine Centrex access line equivalents in the manner described in the Staff Report on Telecommunications Relay Services Remittances for the Three Years Ending June 30, 1996, produced by the Division of Public Utility Accounting. All reports or information required by this Order, by that previous order, or as needed by the Commission's Divisions of Public Service Taxation, Public Utility Accounting, Economics and Finance, or Communications concerning the Virginia Relay Center shall be submitted to those divisions.

(5) This matter is continued generally and this docket shall remain open to address any additional matters that may arise concerning funding of the Virginia Relay Center.

CASE NO. PUC980058
JUNE 24, 1998

APPLICATION OF
BELL ATLANTIC-VIRGINIA, INC.
and
TALK TIME COMMUNICATIONS LTD.

For approval of an interconnection agreement under § 252(e) of the Telecommunications Act of 1996

ORDER APPROVING AGREEMENT

On April 15, 1998, Bell Atlantic-Virginia, Inc. ("BA-VA") and Talk Time Communications Ltd. ("Talk Time") filed for Commission approval of their interconnection agreement ("Agreement") pursuant to §§ 251 and 252 of the Telecommunications Act of 1996 ("Act"), 47 U.S.C. §§ 251 and 252. The Agreement was described as a resale agreement effective February 6, 1998.

The Commission has constitutional and statutory duties to regulate the operations of telecommunications public service companies to assure conformance to the public interest. See VA Const. Art. IX, § 2 and § 56-35 of the Code of Virginia. This authority has been reaffirmed by the enactment of § 56-235.5 B and § 56-265.4:4 C.1 of the Code of Virginia. Although the Commission is authorizing alternative forms of regulation or certificating competitive providers, it must assure the continuation of quality local exchange service and protect the public interest. Notwithstanding their negotiated agreement, BA-VA, Talk Time, and all other providers of local exchange service must comply with all statutory standards and Commission rules and regulations.

Counsel for BA-VA and a representative of Talk Time indicated that a copy of the Agreement was served on the modified service list in this case as defined in the Commission's Procedural Rules for Implementing §§ 251 and 252 of the Act, as adopted in Case No. PUC960059, 20 VAC 5-400-190. Comments were to be filed on or before May 6, 1998, and none were received.

After review of the application and attached Agreement, we have one concern. Section 30.2 under the heading "Responsibility for Charges" in the Agreement appears to obligate Talk Time to pay BA-VA for certain services provided by parties other than BA-VA regardless of whether Talk Time is paid for those charges by its customers. Under these circumstances, it must be recognized that the Agreement between Talk Time and BA-VA does not affect the rights of end users to dispute such charges and does not excuse either BA-VA or Talk Time from complying with the Commission's billing and collection rules.

Notwithstanding the foregoing concern, the Commission finds that the Agreement should be approved pursuant to the standards of § 252(e)(2)(A) of the Act. It should not, however, be viewed as Commission precedent for other agreements. The Agreement is directly binding only on BA-VA and Talk Time.

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to the Commission's authority to regulate public service companies as authorized by the Virginia Constitution, Article IX, § 2 and § 56-35 of the Code of Virginia, the interconnection agreement submitted by BA-VA and Talk Time is hereby approved as complying with § 252(e) of the Act.

(2) Pursuant to § 252(h) of the Act, a copy of this Agreement shall be kept on file in the Commission's Division of Communications for inspection by the public.

(3) This matter is continued generally for the consideration of any subsequent revisions or amendments to the Agreement.

CASE NO. PUC980061
JUNE 17, 1998

APPLICATION OF
BELL ATLANTIC-VIRGINIA, INC.
and
STARPOWER COMMUNICATIONS, L.L.C.

For approval of interconnection Agreement under § 252(e) of the Telecommunications Act of 1996

ORDER APPROVING AGREEMENT

On April 20, 1998, Bell Atlantic-Virginia, Inc. ("BA-VA") and Starpower Communications, L.L.C. ("Starpower") filed for Commission approval, pursuant to §§ 251 and 252 of the Telecommunications Act of 1996 ("the Act"), 47 U.S.C. §§ 251 and 252, their interconnection agreement ("Agreement") dated March 9, 1998.

The Commission has constitutional and statutory duties to regulate the operations of telecommunications public service companies to assure conformance to the public interest. See Va. Const. Art. IX § 2 and § 56-35 of the Code of Virginia. This authority has been reaffirmed by the enactment of § 56-235.5B and § 56-265.4:4.C.1. Whether the Commission is authorizing alternative forms of regulation or certificating competitive providers, it must assure the continuation of quality local exchange service and protect the public interest.

Notwithstanding their negotiated agreement, BA-VA, Starpower, and all other providers of local exchange service must comply with all statutory standards and Commission rules and regulations.

Counsel for BA-VA indicated that a copy of the Agreement was served on the modified service list in this case as defined in the Commission's Procedural Rules for Implementing §§ 251 and 252 of the Telecommunications Act of 1996, as adopted in Case. No. PUC960059, 20 VAC 5-400-190. Comments were to be filed by May 11, 1998, and none were received.

The Commission finds that the Agreement should be approved pursuant to the standards of § 252(e)(2)(A) of the Act. This approval should not, however, be viewed as Commission precedent for other agreements or any statement of generally available terms submitted by BA-VA. The Agreement is directly binding on only BA-VA and Starpower. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) Pursuant to the Commission's authority to regulate public service companies as authorized by the Virginia Constitution, Art. IX § 2 and § 56-35 of the Code of Virginia, the interconnection agreement submitted by BA-VA and Starpower is hereby approved as complying with § 252(e) of the Act.

(2) Pursuant to § 252(h) of the Act, a copy of this Agreement shall be kept on file in the Commission's Division of Communications for inspection by the public.

(3) This matter is continued generally for the consideration of any subsequent amendments or revisions to the Agreement.

CASE NO. PUC980062
JUNE 24, 1998

APPLICATION OF
BELL ATLANTIC-VIRGINIA, INC.
and
FRONTIER TELEMANAGEMENT, L.L.C.

For approval of interconnection Agreement under § 252(e) of the Telecommunications Act of 1996

ORDER APPROVING AGREEMENT

On April 20, 1998, Bell Atlantic-Virginia, Inc. ("BA-VA") and Frontier Telemanagement, L.L.C. ("Frontier") filed for Commission approval, pursuant to §§ 251 and 252 of the Telecommunications Act of 1996 ("the Act"), 47 U.S.C. §§ 251 and 252, their interconnection agreement ("Agreement") dated January 20, 1998.

The Commission has constitutional and statutory duties to regulate the operations of telecommunications public service companies to assure conformance to the public interest. See Va. Const. Art. IX § 2 and § 56-35 of the Code of Virginia. This authority has been reaffirmed by the enactment of § 56-235.5B and § 56-265.4:4.C.1. Whether the Commission is authorizing alternative forms of regulation or certificating competitive providers, it must assure the continuation of quality local exchange service and protect the public interest.

Notwithstanding their negotiated agreement, BA-VA, Frontier, and all other providers of local exchange service must comply with all statutory standards and Commission rules and regulations.

Counsel for BA-VA indicated that a copy of the Agreement was served on the modified service list in this case as defined in the Commission's Procedural Rules for Implementing §§ 251 and 252 of the Telecommunications Act of 1996, as adopted in Case No. PUC960059, 20 VAC 5-400-190. Comments were to be filed by May 11, 1998, and none were received.

The Commission finds that the Agreement should be approved pursuant to the standards of § 252(e)(2)(A) of the Act. This approval should not, however, be viewed as Commission precedent for other agreements. The Agreement is directly binding on only BA-VA and Frontier.

Accordingly, IT IS THEREFORE ORDERED THAT:

(1) Pursuant to the Commission's authority to regulate public service companies as authorized by the Virginia Constitution, Art. IX § 2 and § 56-35 of the Code of Virginia, the interconnection agreement submitted by BA-VA and Frontier is hereby approved as complying with § 252(e) of the Act.

(2) Pursuant to § 252(h) of the Act, a copy of this Agreement shall be kept on file in the Commission's Division of Communications for inspection by the public.

(3) This matter is continued generally for the consideration of any subsequent amendments or revisions to the Agreement.

CASE NO. PUC980063
JULY 7, 1998

APPLICATION OF
TIDALWAVE TELEPHONE, INC.

For certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services

FINAL ORDER

On April 24, 1998, Tidalwave Telephone, Inc. ("Tidalwave" or "Applicant") filed an application for certificates of public convenience and necessity ("certificate") to provide local exchange and interexchange telecommunications services throughout the Commonwealth of Virginia.

By Order dated May 8, 1998, the Commission directed the Applicant to provide notice to the public of its application, directed the Commission Staff to conduct an investigation and file a report, and scheduled a public hearing to receive evidence relevant to Tidalwave's application. On June 16, 1998, the Staff filed its report finding that Tidalwave's application was in compliance with the Commission's Rules for Local Exchange Telephone Competition, as adopted in Case No. PUC950018, except that Tidalwave did not provide audited financial statements, as is required by the Commission's Rules Governing the Certification of Interexchange Carriers, as amended in Case No. PUC850035. Based upon its review of Tidalwave's application and unaudited financial statements, the Staff determined it would be appropriate to grant an interexchange certificate to the Company and a local exchange certificate to Tidalwave subject to two conditions: (1) any customer deposits collected by the Company shall be retained in an unaffiliated third-party escrow account until such time as the Staff or Commission determines is necessary; and (2) the Company shall provide audited financial statements to the Staff on or before June 30, 1999.

A hearing was conducted on June 25, 1998. Tidalwave filed proof of publication and proof of service as required by the May 8, 1998 scheduling order. At the hearing, the application and accompanying attachments, and the Staff report were entered into the record without objection.

Having considered the application and the Staff report, the Commission finds that Tidalwave should be granted certificates to provide for local exchange and interexchange telecommunications services. Having considered § 56-481.1, the Commission also finds that Tidalwave may price its interexchange services competitively. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) Tidalwave Telephone, Inc. is hereby granted a certificate of public convenience and necessity, No. TT-54A, to provide interexchange service subject to the restrictions set forth in the Commission's Rules Governing the Certification of Interexchange Carriers, § 56-265.4:4 of the Code of Virginia, and the provisions of this order.

(2) Tidalwave Telephone, Inc. is hereby granted a certificate of public convenience and necessity, No. T-414, to provide local exchange telecommunications service subject to the restrictions set forth in the Commission's Rules for Local Exchange Telephone Competition, § 56-265.4:4 of the Code of Virginia, and the provisions of this order.

(3) Tidalwave shall provide tariffs to the Division of Communications which conform with all applicable Commission rules and regulations.

(4) Tidalwave shall provide to the Division of Economics and Finance audited, year-end 1998 financial statements on or before June 30, 1999.

(5) Should Tidalwave collect customer deposits, it shall establish and maintain an escrow account, held by a third party, to hold such funds, and shall notify the Commission Staff of the escrow arrangement. Any escrow arrangement established pursuant to this order shall be maintained for such time as the Staff or Commission determines necessary.

(6) Pursuant to § 56-481.1 of the Code of Virginia, Tidalwave may price its interexchange services competitively.

(7) There being nothing further to come before the Commission, this case shall be dismissed and the papers filed herein placed in the file for ended causes.

CASE NO. PUC980064
JUNE 23, 1998

APPLICATION OF
BELL ATLANTIC-VIRGINIA, INC.
and
INTERACTIVE COMMUNICATIONS, INC.

For approval of an interconnection Agreement under § 252(e) of the Telecommunications Act of 1996

ORDER APPROVING AGREEMENT

On April 28, 1998, Bell Atlantic-Virginia, Inc. ("BA-VA") and Interactive Communications, Inc. ("Interactive") filed for Commission approval pursuant to §§ 251 and 252 of the Telecommunications Act of 1996 ("the Act"), 47 U.S.C. §§ 251 and 252, their interconnection agreement ("Agreement"). The Agreement was described as a resale agreement effective as of August 12, 1997.

The Commission has constitutional and statutory duties to regulate the operations of telecommunications public service companies to assure conformance to the public interest. See Va. Const. Art. IX, § 2 and § 56-35 of the Code of Virginia. This authority has been reaffirmed by the enactment of § 56-235.5.B and § 56-265.4:4.C.1. Whether the Commission is authorizing alternative forms of regulation or certificating competitive providers, it must assure the continuation of quality local exchange service and protect the public interest. Notwithstanding their negotiated agreement, BA-VA, Interactive, and all other providers of local exchange service must comply with all statutory standards and Commission rules and regulations.

Counsel for BA-VA indicated that a copy of the Agreement was served on the modified service list in this case as defined in the Commission's Procedural Rules for Implementing §§ 251 and 252 of the Act, as adopted in Case No. PUC960059, 20 VAC 5-400-190. Comments were to be filed on or before May 19, 1998, and none were received.

We have one area of concern with the Agreement. Section 31.2 under the heading of "Responsibility for Charges" appears to obligate Interactive to pay BA-VA for certain services provided by parties other than BA-VA regardless of whether Interactive is paid for those charges by its customers. This agreement between Interactive and BA-VA does not affect the rights of end users to dispute such charges and does not excuse either company from complying with the Commission's billing and collection rules. Notwithstanding this concern, the Commission finds that the Agreement should be approved pursuant to the standards of § 252(e)(2)(A) of the Act. This approval should not, however, be viewed as Commission precedent for other agreements. The Agreement is directly binding only on BA-VA and Interactive. Accordingly,

IT IS THEREFORE ORDERED THAT:

1. Pursuant to the Commission's authority to regulate public service companies as authorized by the Virginia Constitution, Art. IX, § 2 and § 56-35 of the Code of Virginia, the interconnection agreement submitted by BA-VA and Interactive is hereby approved, as complying with § 252(e) of the Act.

2. Pursuant to § 252(h) of the Act, a copy of this Agreement shall be kept on file in the Commission's Division of Communications for inspection by the public.

3. The matter is continued generally for the consideration of any subsequent revisions or amendments to the Agreement.

CASE NO. PUC980065
JULY 28, 1998

APPLICATION OF
NEXTLINK VIRGINIA, L.L.C.

For certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services throughout the Commonwealth of Virginia

FINAL ORDER

On April 29, 1998, NEXTLINK Virginia, L.L.C. ("NEXTLINK" or "Applicant") filed an application for certificates of public convenience and necessity ("certificate") to provide local exchange and interexchange telecommunications services throughout the Commonwealth of Virginia.

By order dated May 26, 1998, the Commission directed the Applicant to provide notice to the public of its application, directed the Commission Staff to conduct an investigation and file a report, and scheduled a public hearing to receive evidence relevant to NEXTLINK's application. On July 8, 1998, Staff filed its report finding NEXTLINK's application was in compliance with the Commission's Rules for Local Exchange Telephone Competition, as adopted in Case No. PUC950018[1], and the Commission's Rules Governing the Certification of Interexchange Carriers, as amended in Case No. PUC850035[2]. Based upon review of NEXTLINK's application and audited financial statements of its parent, Staff determined that it would be appropriate to grant a local exchange certificate and an interexchange certificate to NEXTLINK.

A hearing was conducted on July 21, 1998. At the hearing, NEXTLINK submitted proof of publication and proof of service as required by the May 26, 1998 scheduling order. The application and accompanying attachments and the Staff report were entered into the record without objection.

Having considered the application and Staff's report, the Commission finds that NEXTLINK's application should be granted. Having considered § 56-481.1 of the Code of Virginia, the Commission also finds that NEXTLINK may price its interexchange services competitively.

Accordingly, IT IS THEREFORE ORDERED THAT:

(1) NEXTLINK Virginia, L.L.C. is hereby granted a certificate of public convenience and necessity, No. TT-55A, to provide interexchange service subject to the restrictions set forth in the Commission's Rules Governing the Certification of Interexchange Carriers, § 56-265.4:4 of the Code of Virginia, and the provisions of this order.

(2) Pursuant to § 56-481.1 of the Code of Virginia, NEXTLINK may price its interexchange services competitively.

(3) NEXTLINK Virginia, L.L.C. is hereby granted a certificate of public convenience and necessity, No. T-415, to provide local exchange telecommunications service subject to the restrictions set forth in the Commission's Rules for Local Exchange Telephone Competition, § 56-265.4:4 of the Code of Virginia, and the provisions of this order.

(4) NEXTLINK shall provide tariffs to the Division of Communications which conform with all applicable Commission rules and regulations.

(5) There being nothing further to come before the Commission, this case shall be dismissed and the papers placed in the file for ended causes.

[1] See 20 VAC 5-400-180.

[2] See 20 VAC 5-400-60.

CASE NO. PUC980067
JUNE 26, 1998

APPLICATION OF
BELL ATLANTIC-VIRGINIA, INC.
and
CAT COMMUNICATIONS INTERNATIONAL, INC. d/b/a C.C.I.

For approval of an interconnection agreement under § 252(e) of the Telecommunications Act of 1996

ORDER APPROVING AGREEMENT

On May 5, 1998, Bell Atlantic-Virginia, Inc. ("BA-VA") and CAT Communications International, Inc. d/b/a C.C.I. ("C.C.I.") filed for Commission approval of their interconnection agreement ("Agreement") pursuant to §§ 251 and 252 of the Telecommunications Act of 1996 ("Act"), 47 U.S.C. §§ 251 and 252. The Agreement was described as a resale agreement effective December 31, 1997.

The Commission has constitutional and statutory duties to regulate the operations of telecommunications public service companies to assure conformance to the public interest. See VA Const. Art. IX, § 2 and § 56-35 of the Code of Virginia. This authority has been reaffirmed by the enactment of § 56-235.5 B and § 56-265.4:4 C.1 of the Code of Virginia. Whether the Commission is authorizing alternative forms of regulation or certificating competitive providers, it must assure the continuation of quality local exchange service and protect the public interest. Notwithstanding their negotiated agreement, BA-VA, C.C.I., and all other providers of local exchange service must comply with all statutory standards and Commission rules and regulations.

Counsel for BA-VA and C.C.I. indicated that a copy of the Agreement was served on the modified service list in this case as defined in the Commission's Procedural Rules for Implementing §§ 251 and 252 of the Act, as adopted in Case No. PUC960059, 20 VAC 5-400-190. Comments were to be filed on or before May 26, 1998, and none were received.

We have one area of concern with the Agreement. Section 30.2 under the heading "Responsibility for Charges" in the Agreement appears to obligate C.C.I. to pay BA-VA for certain services provided by parties other than BA-VA regardless of whether C.C.I. is paid for those charges by its customers. Under these circumstances, it must be recognized that the Agreement between C.C.I. and BA-VA does not affect the rights of end users to dispute such charges and does not excuse either BA-VA or C.C.I. from complying with the Commission's billing and collection rules.

Notwithstanding the foregoing concern, the Commission finds that the Agreement should be approved pursuant to the standards of § 252(e)(2)(A) of the Act. It should not, however, be viewed as Commission precedent for other agreements. The Agreement is directly binding only on BA-VA and C.C.I.

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to the Commission's authority to regulate public service companies as authorized by the Virginia Constitution, Article IX, § 2 and § 56-35 of the Code of Virginia, the interconnection agreement submitted by BA-VA and C.C.I. is hereby approved as complying with § 252(e) of the Act.

(2) Pursuant to § 252(h) of the Act, a copy of this Agreement shall be kept on file in the Commission's Division of Communications for inspection by the public.

(3) This matter is continued generally for the consideration of any subsequent revisions or amendments to the Agreement.

CASE NO. PUC980068
JULY 8, 1998

APPLICATION OF
GTE SOUTH INCORPORATED
and
BLUE RIDGE COMMUNICATIONS, INC.

For approval of an interconnection agreement under § 252(e) of the Telecommunications Act of 1996

ORDER APPROVING AGREEMENT

On May 5, 1998, GTE South Incorporated ("GTE") and Blue Ridge Communications, Inc. ("Blue Ridge") filed for Commission approval, pursuant to §§ 251 and 252 of the Telecommunications Act of 1996 ("the Act"), 47 U.S.C. §§ 251 and 252, their interconnection agreement ("Agreement") dated April 21, 1998.

The Commission has constitutional and statutory duties to regulate the operations of telecommunications public service companies to assure conformance to the public interest. See Va. Const. Art. IX § 2 and § 56-35 of the Code of Virginia. This authority has been reaffirmed by the enactment of § 56-235.5. B and § 56-265.4:4 C.1 of the Code of Virginia. Whether the Commission is authorizing alternative forms of regulation or certificating competitive providers, it must assure the continuation of quality local exchange service and protect the public interest. Notwithstanding their negotiated agreement, Blue Ridge, GTE, and all other providers of local exchange service must comply with all statutory standards and Commission rules and regulations.

Counsel for GTE and a representative from Blue Ridge indicated that a copy of the Agreement was served on the modified service list in this case as defined in the Commission's Procedural Rules for Implementing §§ 251 and 252 of the Telecommunications Act of 1996, adopted in Case No. PUC960059, 20 VAC 5-400-190. Comments were to be filed by May 26, 1998, and none were received.

The Commission finds that the Agreement should be approved pursuant to the standards of § 252(e)(2)(A) of the Act. It should not, however, be viewed as Commission precedent for other agreements. The Agreement is directly binding only GTE and Blue Ridge. Accordingly,

IT IS ORDERED THAT:

(1) Pursuant to the Commission's authority to regulate public service companies as authorized by the Va. Const. Art. IX § 2 and § 56-35 of the Code of Virginia, the interconnection agreement submitted by GTE and Blue Ridge is hereby approved as complying with § 252(e) of the Act.

(2) Pursuant to § 252(h) of the Act, a copy of this Agreement shall be kept on file in the Commission's Division of Communications for inspection by the public.

(3) This case shall remain open to receive any subsequent amendments or revisions to the Agreement.

CASE NO. PUC980070
JULY 13, 1998

APPLICATION OF
CENTRAL TELEPHONE COMPANY OF VIRGINIA
and
PRIMECO PERSONAL COMMUNICATIONS, L.P.

For approval of Interconnection Agreement under § 252(e) of the Telecommunications Act of 1996

ORDER APPROVING AGREEMENT

On May 8, 1998, Central Telephone Company of Virginia ("Centel") and PrimeCo Personal Communications, L.P. ("PrimeCo") filed for Commission approval, pursuant to §§ 251 and 252 of the Telecommunications Act of 1996 ("the Act"), 47 U.S.C. §§ 251 and 252, of their Commercial Mobile Radio Services ("CMRS") Indirect Traffic Agreement ("Agreement") dated January 16, 1998. According to the application, the Agreement provides for the termination of traffic from those points where Centel and PrimeCo do not interconnect and facilitates PrimeCo's CMRS in Virginia.

The Commission has constitutional and statutory duties to regulate the operations of telecommunications public service companies to assure conformance to the public interest. See Va. Const. art. IX, § 2 and § 56.35 of the Code of Virginia. This authority has been reaffirmed by the enactment of § 56-235.5.B and § 56-265.4:4.C.1. Whether the Commission is authorizing alternative forms of regulation or certificating competitive providers, it must assure the continuation of quality local exchange services and protect the public interest.

Notwithstanding this negotiated agreement, Centel and all other providers of local exchange service must comply with all statutory standards and Commission rules and regulations.

Centel stated in the application that a copy of the Agreement was served on the modified service list in this case as defined in the Commission's Procedural Rules for Implementing §§ 251 and 252 of the Telecommunications Act of 1996, as adopted in Case No. PUC960059, 20 VAC 5-400-190. Comments were to be filed by May 29, 1998, and none were received.

The Commission finds that the Agreement should be approved pursuant to the standards of § 252(e)(2)(A) of the Act. This approval should not, however, be viewed as Commission precedent for other agreements or any statement of generally available terms submitted by Centel. The Agreement is directly binding on only Centel and PrimeCo. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) Pursuant to the Commission's authority to regulate public service companies as authorized by the Virginia Constitution, art. IX, § 2 and § 56-35 of the Code of Virginia, the Agreement submitted by Centel and PrimeCo is hereby approved as complying with § 252(e) of the Act.

(2) Pursuant to § 252(h) of the Act, a copy of this Agreement shall be kept on file in the Commission's Division of Communications for inspection by the public.

(3) This matter is continued generally for the consideration of any subsequent amendments or revisions to the Agreement.

CASE NO. PUC980071
JULY 13, 1998

APPLICATION OF
UNITED TELEPHONE-SOUTHEAST, INC.
and
PRIMECO PERSONAL COMMUNICATIONS, L.P.

For approval of Interconnection Agreement under § 252(e) of the Telecommunications Act of 1996

ORDER APPROVING AGREEMENT

On May 8, 1998, United Telephone-Southeast, Inc. ("United") and PrimeCo Personal Communications, L.P. ("PrimeCo") filed for Commission approval, pursuant to §§ 251 and 252 of the Telecommunications Act of 1996 ("the Act"), 47 U.S.C. §§ 251 and 252, of their Commercial Mobile Radio Services ("CMRS") Indirect Traffic Agreement ("Agreement") dated January 16, 1998. According to the application, the Agreement provides for the termination of traffic from those points where United and PrimeCo do not interconnect and facilitates PrimeCo's CMRS in Virginia.

The Commission has constitutional and statutory duties to regulate the operations of telecommunications public service companies to assure conformance to the public interest. See Va. Const. art. IX, § 2 and § 56.35 of the Code of Virginia. This authority has been reaffirmed by the enactment of § 56-235.5.B and § 56-265.4:4.C.1. Whether the Commission is authorizing alternative forms of regulation or certificating competitive providers, it must assure the continuation of quality local exchange services and protect the public interest.

Notwithstanding this negotiated agreement, United and all other providers of local exchange service must comply with all statutory standards and Commission rules and regulations.

United stated in the application that a copy of the Agreement was served on the modified service list in this case as defined in the Commission's Procedural Rules for Implementing §§ 251 and 252 of the Telecommunications Act of 1996, as adopted in Case No. PUC960059, 20 VAC 5-400-190. Comments were to be filed by May 29, 1998, and none were received.

The Commission finds that the Agreement should be approved pursuant to the standards of § 252(e)(2)(A) of the Act. This approval should not, however, be viewed as Commission precedent for other agreements or any statement of generally available terms submitted by United. The Agreement is directly binding on only United and PrimeCo. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) Pursuant to the Commission's authority to regulate public service companies as authorized by the Virginia Constitution, art. IX, § 2 and § 56-35 of the Code of Virginia, the Agreement submitted by United and PrimeCo is hereby approved as complying with § 252(e) of the Act.

(2) Pursuant to § 252(h) of the Act, a copy of this Agreement shall be kept on file in the Commission's Division of Communications for inspection by the public.

(3) This matter is continued generally for the consideration of any subsequent amendments or revisions to the Agreement.

CASE NO. PUC980072
OCTOBER 8, 1998

APPLICATION OF
BELL ATLANTIC-VIRGINIA, INC.

To implement extended local service from its Braddock exchange to the Arcola exchange of GTE South, Inc.

FINAL ORDER

On May 12, 1998, Bell Atlantic-Virginia, Inc. ("BA-VA" or "the Company") filed an application with the State Corporation Commission ("Commission") pursuant to the provisions of § 56-484.2 of the Code of Virginia, proposing to notify its customers in the Braddock exchange of the increases in monthly rates that would be necessary for extending their local service to include GTE South's ("GTE") Arcola exchange. Customers in the Arcola exchange had previously petitioned the Commission for local calling to Braddock. In a poll conducted in response to the petition, a majority of the Arcola customers responding supported paying higher rates for local calling to Braddock. A poll of Braddock subscribers was not required under § 56-484.2A of the Code of Virginia because the proposed rate increase for one-party residential customers did not exceed five percent of the existing one-party residential monthly rate.

By Order dated June 8, 1998, the Commission directed BA-VA to publish notice of the proposed increase. Affected telephone customers were given until August 14, 1998, to file comments or request a hearing on the proposal. The Commission received no comments or requests for hearing.

On July 24, 1998, BA-VA filed proof of notice as required by the Commission's June 8, 1998 Order.

On September 1, 1998, the Commission Staff submitted its report regarding the Company's application. The Staff recommended that BA-VA's application to implement extended local service from its Braddock exchange to GTE's Arcola exchange be approved. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) The proposed extension of local service from BA-VA's Braddock exchange to GTE's Arcola exchange shall be implemented.

(2) BA-VA shall file the tariff revisions necessary for the proposed extension of local service.

(3) This matter shall be dismissed and the papers shall be placed in the Commission's file for ended causes.

CASE NO. PUC980073
OCTOBER 8, 1998

APPLICATION OF
BELL ATLANTIC-VIRGINIA, INC.

To implement extended local service from its Falls Church/McLean exchange to the Arcola exchange of GTE South, Inc.

FINAL ORDER

On May 12, 1998, Bell Atlantic-Virginia, Inc. ("BA-VA" or "the Company") filed an application with the State Corporation Commission ("Commission") pursuant to the provisions of § 56-484.2 of the Code of Virginia, proposing to notify its customers in the Falls Church/McLean exchange of the increases in monthly rates that would be necessary for extending their local service to include GTE South's ("GTE") Arcola exchange. Customers in the Arcola exchange had previously petitioned the Commission for local calling to Falls Church/McLean. In a poll conducted in response to the petition, a majority of the Arcola customers responding supported paying higher rates for local calling to Falls Church/McLean. A poll of Falls Church/McLean

subscribers was not required under § 56-484.2A of the Code of Virginia because the proposed rate increase for one-party residential customers did not exceed five percent of the existing one-party residential monthly rate.

By Order dated June 8, 1998, the Commission directed BA-VA to publish notice of the proposed increase. Affected telephone customers were given until August 14, 1998, to file comments or request a hearing on the proposal. The Commission received no comments or requests for hearing.

On July 24, 1998, BA-VA filed proof of notice as required by the Commission's June 8, 1998 Order.

On September 1, 1998, the Commission Staff submitted its report regarding the Company's application. The Staff recommended that BA-VA's application to implement extended local service from its Falls Church/McLean exchange to GTE's Arcola exchange be approved. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) The proposed extension of local service from BA-VA's Falls Church/McLean exchange to GTE's Arcola exchange shall be implemented.

(2) BA-VA shall file the tariff revisions necessary for the proposed extension of local service.

(3) This matter shall be dismissed and the papers shall be placed in the Commission's file for ended causes.

CASE NO. PUC980074
OCTOBER 8, 1998

APPLICATION OF
BELL ATLANTIC-VIRGINIA, INC.

To implement extended local service from its Richmond exchange to the Providence Forge exchange

FINAL ORDER

On May 12, 1998, Bell Atlantic-Virginia, Inc. ("BA-VA" or "the Company") filed an application with the State Corporation Commission ("Commission") pursuant to the provisions of § 56-484.2 of the Code of Virginia, proposing to notify its customers in the Richmond exchange of the increases in monthly rates that would be necessary for extending their local service to include the Providence Forge exchange. Customers in the Providence Forge exchange had previously petitioned the Commission for local calling to Richmond. In a poll conducted in response to the petition, a majority of the Providence Forge customers responding supported paying higher rates for local calling to Richmond. A poll of Richmond subscribers was not required under § 56-484.2A of the Code of Virginia because the proposed rate increase for one-party residential customers did not exceed five percent of the existing one-party residential monthly rate.

By Order dated June 8, 1998, the Commission directed BA-VA to publish notice of the proposed increase. Affected telephone customers were given until August 14, 1998, to file comments or request a hearing on the proposal. The Commission received no comments or requests for hearing.

On July 24, 1998, BA-VA filed proof of notice as required by the Commission's June 8, 1998 Order.

On September 1, 1998, the Commission Staff submitted its report regarding the Company's application. The Staff recommended that BA-VA's application to implement extended local service from its Richmond exchange to its Providence Forge exchange be approved. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) The proposed extension of local service from BA-VA's Richmond exchange to its Providence Forge exchange shall be implemented.

(2) BA-VA shall file the tariff revisions necessary for the proposed extension of local service.

(3) This matter shall be dismissed and the papers shall be placed in the Commission's file for ended causes.

CASE NO. PUC980075
OCTOBER 8, 1998

APPLICATION OF
BELL ATLANTIC-VIRGINIA, INC.

To implement extended local service from its Fairfax/Vienna exchange to the Arcola exchange of GTE South, Inc.

FINAL ORDER

On May 12, 1998, Bell Atlantic-Virginia, Inc. ("BA-VA" or "the Company") filed an application with the State Corporation Commission ("Commission") pursuant to the provisions of § 56-484.2 of the Code of Virginia, proposing to notify its customers in the Fairfax/Vienna exchange of the increases in monthly rates that would be necessary for extending their local service to include GTE South's ("GTE") Arcola exchange. Customers in the Arcola exchange had previously petitioned the Commission for local calling to Fairfax/Vienna. In a poll conducted in response to the petition, a majority of the Arcola customers responding supported paying higher rates for local calling to Fairfax/Vienna. A poll of Fairfax/Vienna subscribers was not required

under § 56-484.2A of the Code of Virginia because the proposed rate increase for one-party residential customers did not exceed five percent of the existing one-party residential monthly rate.

By Order dated June 8, 1998, the Commission directed BA-VA to publish notice of the proposed increase. Affected telephone customers were given until August 14, 1998, to file comments or request a hearing on the proposal. The Commission received no comments or requests for hearing.

On July 24, 1998, BA-VA filed proof of notice as required by the Commission's June 8, 1998 Order.

On September 1, 1998, the Commission Staff submitted its report regarding the Company's application. The Staff recommended that BA-VA's application to implement extended local service from its Fairfax/Vienna exchange to GTE's Arcola exchange be approved. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) The proposed extension of local service from BA-VA's Fairfax/Vienna exchange to GTE's Arcola exchange shall be implemented.

(2) BA-VA shall file the tariff revisions necessary for the proposed extension of local service.

(3) This matter shall be dismissed and the papers shall be placed in the Commission's file for ended causes.

CASE NO. PUC980076
JUNE 26, 1998

APPLICATION OF
BELL ATLANTIC-VIRGINIA, INC.
and
CRG INTERNATIONAL OF VIRGINIA, INC., d/b/a NETWORK ONE

For approval of an interconnection agreement under § 252 (e) of the Telecommunications Act of 1996.

ORDER APPROVING AGREEMENT

On May 13, 1998, Bell Atlantic-Virginia, Inc. ("BA-VA") and CRG International of Virginia, Inc. d/b/a Network One ("Network One") filed for Commission approval pursuant to §§ 251 and 252 of the Telecommunications Act of 1996 ("Act"), 47 U.S.C. §§ 251 and 252 their interconnection agreement ("Agreement"). The Agreement was described as a resale agreement effective as of February 25, 1998.

The Commission has constitutional and statutory duties to regulate the operations of telecommunications public service companies to assure conformance to the public interest. See Va. Const. Art. IX, § 2 and § 56-35 of the Code of Virginia. This authority has been reaffirmed by the enactment of § 56-235.5.B and § 56-265.4:4.C.1. Whether the Commission is authorizing alternative forms of regulation or certificating competitive providers, it must assure the continuation of quality local exchange service and protect the public interest. Notwithstanding their negotiated agreement, BA-VA, Network One, and all other providers of local exchange service must comply with all statutory standards and Commission rules and regulations.

Counsel for BA-VA indicated that a copy of the Agreement was served on the modified service list in this case as defined in the Commission's Procedural Rules for Implementing §§ 251 and 252 of the Act, as adopted in Case No. PUC960059, 20 VAC 5-400-190. Comments were to be filed on or before June 3, 1998, and none were received.

We have one area of concern with the Agreement. Section 30.2 under the heading of "Responsibility for Charges" appears to obligate Network One to pay BA-VA for certain services provided by parties other than BA-VA regardless of whether Network One is paid for those charges by its customers. This agreement between Network One and BA-VA does not affect the rights of end users to dispute such charges and does not excuse either company from complying with the Commission's billing and collection rules. Notwithstanding this concern, the Commission finds that the Agreement should be approved pursuant to the standards of § 252(e)(2)(A) of the Act. The Agreement should not, however, be viewed as Commission precedent for other agreements. The Agreement is directly binding only on BA-VA and Network One. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) Pursuant to the Commission's authority to regulate public service companies as authorized by the Virginia Constitution, Article IX, § 2 and § 56-35 of the Code of Virginia, the interconnection agreement submitted by BA-VA and Network One is hereby approved, as complying with § 252(e) of the Act.

(2) Pursuant to § 252(h) of the Act, a copy of this Agreement shall be kept on file in the Commission's Division of Communications for inspection by the public.

(3) The matter is continued generally for the consideration of any subsequent revisions or amendments to the Agreement.

CASE NO. PUC980077
JUNE 24, 1998

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
AT&T COMMUNICATIONS OF VIRGINIA, INC.

ORDER ON MOTION FOR SUSPENSION OF TARIFF

On May 19, 1998, AT&T Communications of Virginia, Inc. ("ATT-V" or "Company") filed a tariff with the Division of Communications, "S.C.C.-Va.-No. 1, Section 1, Original Page 12A" (DCC#980550081). The tariff listed a new charge, called the "Universal Connectivity Charge," that would be applied by ATT-V to residential customers taking other named services under its intrastate tariffs on file with the Commission. The charge was described as "equal to 1.8% of the Customer's AT&T monthly intrastate charges after the application of eligible discounts and credits." The proposed effective date was June 29, 1998.

The Staff of the Commission filed a Motion for Suspension of Tariff, ATT-V responded and the Staff replied. These pleadings are pending before the Commission. On June 19, 1998, however, by letter to Edward C. Addison, Director of the Commission's Division of Communications, ATT-V has withdrawn its tariff. The Company stated "it has elected to collect its federal Universal Service Fund contribution (covering schools, libraries, and rural healthcare providers) exclusively through the imposition of an interstate tariff charge of 93 cents per residential customer account." ATT-V also moved the Commission to dismiss the Staff's Motion to Suspend Tariff.

NOW THE COMMISSION, having considered the foregoing, is of the opinion and finds that the Motion to Suspend Tariff is now moot, because ATT-V has withdrawn the tariff. There is nothing further to come before the Commission in this matter and, accordingly, the matter is DISMISSED and the papers shall be placed in the file for ended causes.

CASE NO. PUC980078
JUNE 25, 1998

APPLICATION OF
GTE SOUTH INCORPORATED
and
CFW NETWORK, INCORPORATED

For approval of interconnection agreement under § 252(E) of the Telecommunications Act of 1996

ORDER APPROVING AGREEMENT

On May 21, 1998, GTE South Incorporated ("GTE") and CFW Network, Incorporated ("CFWNI") filed for Commission approval, pursuant to §§ 251 and 252 of the Telecommunications Act of 1996 ("the Act"), 47 U.S.C. §§ 251 and 252, their interconnection agreement ("Agreement").

This Agreement establishes the terms, conditions and prices for the mutual exchange and termination of traffic originating on each party's network and the purchase by CFWNI of unbundled network elements and certain resale services from GTE. However, this Agreement includes two sets of prices. The first prices are the GTE terms referenced in Appendix M, and the second prices are those in Appendix N, which are the rates established in the GTE/Cox Interconnection, Resale and Unbundling Agreement. The parties have agreed to utilize the rates, terms and conditions established in Appendix N unless those rates are deemed unlawful, or are stayed or enjoined. In that event, the GTE rates, terms and conditions in Appendix M would apply and be effective retroactive to the effective date of the Agreement.

The Commission has constitutional and statutory duties to regulate the operations of telecommunications public service companies to assure conformance to the public interest. See Va. Const. Art. IX, § 2 and § 56-35 of the Code of Virginia. This authority has been reaffirmed by the enactment of § 56-235.5.B and § 56-265.4:4.C.1. Whether the Commission is authorizing alternative forms of regulation or certificating competitive providers, it must assure the continuation of quality local exchange services and protect the public interest. Notwithstanding their negotiated agreement, GTE, CFWNI, and all other providers of local exchange service must comply with all statutory standards and Commission rules and regulations.

Counsel for GTE and CFWNI indicated that a copy of the Agreement was served on the modified service list in this case as defined in the Commission's Procedural Rules for Implementing §§ 251 and 252 of the Telecommunications Act of 1996, as adopted in Case No. PUC960059, 20 VAC 5-400-190, ("procedural rules"). Comments were to be filed on or before June 11, 1998, and none were received.

As required by § A(2) of the procedural rules, we have reviewed the negotiated portions of the Agreement pursuant to § 252(e)(2)(A) of the Act. Under these criteria, we find no reason to reject this Agreement. However, there is at least one portion of the Agreement that requires our attention.

In Article III, Section 46, "Amendment of Certain Rates, Terms and Conditions," the following language appears:

> The rates, terms and conditions (including rates which may be applicable under true-up) specified in both the "GTE Terms" and the "COX Terms" are further subject to amendment, retroactive to the Effective Date of the Agreement, to provide for charges or rate adjustments resulting from future Commission or other proceedings, including but not limited to any generic proceeding to determine GTE's unrecovered costs (e.g., historic costs, contribution, undepreciated reserve deficiency, or similar unrecovered GTE costs (including GTE's end user surcharge)), the establishment of a competitively neutral universal service system, or any appeal or other litigation.

The Commission is concerned the language here not be interpreted to define or mandate the parameters for any future Commission proceeding. If and when the Commission conducts any further proceeding(s) to determine prices applicable to interconnection for GTE, it will do as it is required and in accordance with the pricing standards established in § 252(d) of the Act. The parties are free to negotiate activities that they themselves will conduct, but the parties cannot agree to bind or direct future Commission actions. To the extent that there are other sections of the Agreement that attempt to bind the Commission's future actions, they shall not be enforceable.

Despite the above comments, we find that the Agreement should be approved. The Agreement is binding only on GTE and CFWNI and should not be viewed as precedent for other agreements. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) Pursuant to the Commission's authority to regulate public service companies as authorized by the Virginia Constitution, Art. IX, § 2 and § 56-35 of the Code of Virginia, the interconnection agreement submitted by GTE and CFWNI hereby is approved as complying with § 252(e) of the Act.

(2) Pursuant to § 252(h) of the Act, a copy of this Agreement shall be kept on file in the Commission's Division of Communications for inspection by the public.

(3) This matter is continued generally for the consideration of any subsequent revisions or amendments to the Agreement.

CASE NO. PUC980080
OCTOBER 9, 1998

APPLICATION OF
GTE COMMUNICATIONS CORPORATION OF VIRGINIA

For a certificate of public convenience and necessity to provide local exchange telecommunications service

ORDER OF DISMISSAL

On May 27, 1998, GTE Communications Corporation of Virginia ("GTE Communications" or "Applicant") filed an application with the Commission, seeking a certificate of public convenience and necessity to provide local exchange telecommunications service throughout the Commonwealth of Virginia.

This case was docketed and notice prescribed by the Commission's Order for Notice and Hearing, issued July 9, 1998. Following discovery propounded by several Protestants, the Commission issued an Order Setting Pleading Schedule on Discovery and Appointing Hearing Examiner on September 2, 1998. A protective order was sought by Applicant, which was denied by the Hearing Examiner's Ruling of September 14, 1998. Following oral arguments on pending discovery by Protestants, the Hearing Examiner granted Motions to Compel filed by Protestants. By rulings dated September 24 and September 28, 1998, the Hearing Examiner directed the Applicant to respond to discovery propounded by Protestants. Subsequently, on October 1, 1998 GTE Communications, by counsel, filed its Motion For Leave To Withdraw Application. The Commission finds that said Motion should be granted in all respects. Accordingly,

IT IS ORDERED THAT:

(1) This case is hereby dismissed without prejudice and placed among the ended causes.

(2) All parties and their respective personnel who have been granted access to confidential and proprietary documents pursuant to discovery herein shall immediately make disposition of said documents in accordance with the Hearing Examiner's Rulings.

CASE NO. PUC980081
JULY 24, 1998

APPLICATION OF
UNITED TELEPHONE-SOUTHEAST, INC.
and
CENTRAL TELEPHONE COMPANY OF VIRGINIA
and
TIN CAN COMMUNICATIONS COMPANY, LLC

For approval of an interconnection agreement under § 252(e) of the Telecommunications Act of 1996 with Tin Can Communications Company, LLC

ORDER APPROVING AGREEMENT

On May 29, 1998, United Telephone-Southeast, Inc. and Central Telephone Company of Virginia ("United/Centel" or "Companies") filed for Commission approval, pursuant to §§ 251 and 252 of the Telecommunications Act of 1996 ("the Act"), 47 U.S.C. §§ 251 and 252, an interconnection agreement ("Agreement") with Tin Can Communications Company, LLC ("Tin Can"). The resale agreement attached to the application was dated April 17, 1998.

The Commission has constitutional and statutory duties to regulate the operations of telecommunications public service companies to assure conformance to the public interest. See Va. Const. Art. IX sec. 2 and § 56-35 of the Code of Virginia. This authority has been reaffirmed by the enactment of § 56-235.5.B and § 56-265.4:4.C.1. Whether the Commission is authorizing alternative forms of regulation or certificating competitive providers, it must assure the continuation of quality local exchange service and protect the public interest. Notwithstanding their negotiated agreement, United/Centel, Tin Can, and all other providers of local exchange service must comply with all statutory standards and Commission rules and regulations.

Counsel for United/Centel indicated that a copy of the revised Agreement was served on the modified service list in this case as defined in the Commission's Procedural Rules for Implementing §§ 251 and 252 of the Telecommunications Act of 1996, as adopted in Case No. PUC960059, 20 VAC 5-400-190. Comments were to be filed on or before June 19, 1998, and none were received.

The Commission finds that the Agreement should be approved pursuant to the standards of § 252(e)(2)(A) of the Act. This approval should not, however, be viewed as Commission precedent for other agreements. The Agreement is directly binding only on United/Centel and Tin Can. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) Pursuant to the Commission's authority to regulate public service companies as authorized by the Virginia Constitution, Art. IX, § 2 and § 56-35 of the Code of Virginia, the interconnection agreement submitted by United/Centel and Tin Can is hereby approved as complying with § 252(e) of the Act.

(2) Pursuant to § 252(h) of the Act, a copy of this Agreement shall be kept on file in the Commission's Division of Communications for inspection by the public.

(3) This matter is continued generally for the consideration of any subsequent revisions or amendments to the agreement.

CASE NO. PUC980084
JULY 7, 1998

APPLICATION OF
BELL ATLANTIC-VIRGINIA, INC.
and
USN COMMUNICATIONS VIRGINIA, INC.

For approval of an interconnection Agreement under § 252(e) of the Telecommunications Act of 1996

ORDER APPROVING AGREEMENT

On June 3, 1998, Bell Atlantic-Virginia, Inc. ("BA-VA") and USN Communications Virginia, Inc. ("USN") filed for Commission approval pursuant to §§ 251 and 252 of the Telecommunications Act of 1996 ("the Act"), 47 U.S.C. §§ 251 and 252, their interconnection agreement ("Agreement"). The Agreement was described as a resale agreement effective as of April 25, 1998.

The Commission has constitutional and statutory duties to regulate the operations of telecommunications public service companies to assure conformance to the public interest. See Va. Const. Art. IX, § 2 and § 56-35 of the Code of Virginia. This authority has been reaffirmed by the enactment of § 56-235.5.B and § 56-265.4:4.C.1. Whether the Commission is authorizing alternative forms of regulation or certificating competitive providers, it must assure the continuation of quality local exchange service and protect the public interest. Notwithstanding their negotiated agreement, BA-VA, USN, and all other providers of local exchange service must comply with all statutory standards and Commission rules and regulations.

Counsel for BA-VA indicated that a copy of the Agreement was served on the modified service list in this case as defined in the Commission's Procedural Rules for Implementing §§ 251 and 252 of the Act, as adopted in Case No. PUC960059, 20 VAC 5-400-190. Comments were to be filed on or before June 24, 1998, and none were received.

We have one area of concern with the Agreement. Section 30 under the heading of "Responsibility for Charges" appears to obligate USN to pay BA-VA for certain services provided by parties other than BA-VA regardless of whether USN is paid for those charges by its customers. This agreement between USN and BA-VA does not affect the rights of end users to dispute such charges and does not excuse either company from complying with the Commission's billing and collection rules. Notwithstanding this concern, the Commission finds that the Agreement should be approved pursuant to the standards of § 252(e)(2)(A) of the Act. This approval should not, however, be viewed as Commission precedent for other agreements. The Agreement is directly binding only on BA-VA and USN. Accordingly,

IT IS ORDERED THAT:

1. Pursuant to the Commission's authority to regulate public service companies as authorized by the Virginia Constitution, Art. IX, § 2 and § 56-35 of the Code of Virginia, the interconnection agreement submitted by BA-VA and USN is hereby approved, as complying with § 252(e) of the Act.

2. Pursuant to § 252(h) of the Act, a copy of this Agreement shall be kept on file in the Commission's Division of Communications for inspection by the public.

3. The matter is continued generally for the consideration of any subsequent revisions or amendments to the Agreement.

CASE NO. PUC980085
JULY 7, 1998

APPLICATION OF
BELL ATLANTIC-VIRGINIA, INC.
and
INTERNATIONAL TELEPHONE GROUP, INC.

For approval of an interconnection agreement under § 252(e) of the Telecommunications Act of 1996

ORDER APPROVING AGREEMENT

On June 3, 1998, Bell Atlantic-Virginia, Inc. ("BA-VA") and International Telephone Group, Inc. ("ITG") filed for Commission approval, pursuant to §§ 251 and 252 of the Telecommunications Act of 1996 ("the Act"), 47 U.S.C. §§ 251 and 252, their interconnection agreement ("Agreement"). The Agreement was described as a resale agreement effective as of April 20, 1998.

The Commission has constitutional and statutory duties to regulate the operations of telecommunications public service companies to assure conformance to the public interest. See Va. Const. Art. IX, § 2 and § 56-35 of the Code of Virginia. This authority has been reaffirmed by the enactment of § 56-235.5.B and § 56-265.4:4.C.1. Whether the Commission is authorizing alternative forms of regulation or certificating competitive providers, it must assure the continuation of quality local exchange service and protect the public interest. Notwithstanding their negotiated agreement, BA-VA, ITG, and all other providers of local exchange service must comply with all statutory standards and Commission rules and regulations.

Counsel for BA-VA indicated that a copy of the Agreement was served on the modified service list in this case as defined in the Commission's Procedural Rules for Implementing §§ 251 and 252 of the Act, as adopted in Case No. PUC960059, 20 VAC 5-400-190. Comments were to be filed on or before June 24, 1998, and none were received.

We have one area of concern with the Agreement. Section 30.2 under the heading "Responsibility for Charges" appears to obligate ITG to pay BA-VA for certain services provided by parties other than BA-VA regardless of whether ITG is paid for those charges by its customers. This agreement between ITG and BA-VA does not affect the rights of end users to dispute such charges and does not excuse either company from complying with the Commission's billing and collection rules. Notwithstanding this concern, the Commission finds that the Agreement should be approved pursuant to the standards set forth in § 252(e)(2)(A) of the Act. This approval should not, however, be viewed as Commission precedent for other agreements. The Agreement is directly binding only on BA-VA and ITG. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) Pursuant to the Commission's authority to regulate public service companies as authorized by the Virginia Constitution, Art. IX, § 2 and § 56-35 of the Code of Virginia, the interconnection agreement submitted by BA-VA and ITG hereby is approved as complying with § 252(e) of the Act.

(2) Pursuant to § 252(h) of the Act, a copy of this Agreement shall be kept on file in the Commission's Division of Communications for inspection by the public.

(3) This matter is continued generally for the consideration of any subsequent revisions or amendments to the Agreement.

CASE NO. PUC980086
AUGUST 3, 1998

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
GTE SOUTH, INC.,
Defendant

SETTLEMENT ORDER

As a result of a complaint brought forth by a GTE customer, the Commission's Division of Communications has investigated the mechanical rebilling process of Defendant GTE South, Inc. ("GTE" or "the Company") pursuant to § 56-234 and § 56-236 of the Code of Virginia.

As a result of its investigation, the Division of Communications states the following facts:

(1) GTE is chartered in Virginia as a public service corporation and holds certificates of public convenience and necessity to operate as a local exchange carrier providing telecommunications service within designated areas of the Commonwealth pursuant to Chapters 10 and 10.1 of Title 56 of the Code of Virginia.

(2) Between the third quarter of 1991 and March of 1997 in GTE's Southwest Virginia service territory, and September of 1993 and March of 1997 in GTE's former Contel service territory, the Company used a mechanical process within TEMPO (Toll Error Message Processing Online) to rebill toll calls denied by a customer to whom that call was initially billed.

(3) This mechanical rebilling process was accomplished by a computer program that searched for telephone numbers with a close match (at least five or six digits of the seven digit number) to the originally billed number. If a matching number was found that had previously been billed for multiple calls to the originally called number, that number was rebilled for the denied toll call.

(4) GTE implemented and used this mechanical rebilling process without notifying the customers to whom the toll calls were rebilled that the charges being placed upon their account had been denied by the initially billed customer.

(5) At the request of the Division of Communications, GTE ceased its practice of mechanically rebilling initially denied toll calls, effective on or about March of 1997.

GTE does not dispute these facts. As a proposal to settle all matters arising from this investigation, GTE agrees to comply with the following terms and obligations:

(1) GTE will not mechanically rebill customers in the Commonwealth for past toll calls that have been denied by the initial bill recipient and are not accurately determined to belong to that customer's account.

(2) GTE, pursuant to § 12.1-15 of the Code of Virginia, will pay a penalty to the Commonwealth in the amount of $30,000 which will be tendered contemporaneously with the entry of this Order.

(3) GTE, pursuant to § 12.1-15 of the Code of the Virginia, will pay to the Commission the sum of $7,080 as reimbursement for the costs of the investigation by the Division of Communications.

(4) GTE will credit to customers of GTE at the time of this Order, all monies collected during the three years March 1994 through March 1997 pursuant to its mechanical process of rebilling different customers without notifying the customers that the call in question had been denied by the initial bill recipient, together with interest as specified below. For its former customers, GTE shall forward a refund to that customer's last known address. Refunds not claimed within twelve months of the date mailed shall be disposed of pursuant to §§ 55-210.1 - 210.30 of the Code of Virginia.

(5) GTE shall furnish, to each rebilled customer entitled to a credit or a refund, either a copy of this Order or an explanation of the rebilling error. Any such explanation must receive prior review and approval by the Division of Communications.

The Division of Communications has recommended that GTE's offer of settlement be accepted pursuant to the authority granted to the Commission in § 12.1-15 of the Code of Virginia.

THE COMMISSION, being fully advised in the premises and finding sufficient basis for the entry of this Order and in reliance on the Defendant's representations and undertakings set forth above, is of the opinion and finds that the offer of settlement should be accepted.

Accordingly, IT IS THEREFORE ORDERED THAT:

(1) Pursuant to the authority granted the Commission by § 12.1-15 of the Code of Virginia, GTE's offer of settlement is accepted.

(2) GTE shall fully comply with the terms and obligations of the settlement set out above.

(3) GTE shall refrain from any conduct which constitutes a violation of §§ 56-234 and 56-236 of the Code of Virginia.

(4) Pursuant to § 12.1-15 of the Code of Virginia, GTE shall pay a penalty to the Commonwealth in the amount of $30,000, to be tendered contemporaneously with the entry of this Order. Payment shall be made by check payable to the Treasurer of the Commonwealth of Virginia and directed to the attention of the Director of the Commission's Division of Communications.

(5) Pursuant to § 12.1-15 of the Code of Virginia, GTE shall reimburse the Commission a total amount of $7,080 for the cost of the investigation by the Division of Communications.

(6) GTE shall credit customers of GTE at the time of this Order, all monies collected during the three years March 1994 through March 1997 pursuant to its mechanical process of rebilling different customers without notifying the customers that the call in question had been denied by the initial bill recipient, together with interest at the rate specified below. For its former customers, GTE shall mail a refund to that customer's last known address. Refunds not claimed within twelve months of the date mailed shall be disposed of pursuant to §§ 55-210.1 - 210.30 of the Code of Virginia.

(7) Interest upon such refund shall be computed from the date each customer was billed until the date refunds are made, at an average prime rate for each calendar quarter. The applicable average prime rate for each calendar quarter shall be the arithmetic mean, to the nearest one hundredth of one percent, of the prime rate values published in the Federal Reserve Bulletin or the Federal Reserve's Selected Interest Rates ("Selected Rates") (Statistical Release G.13), for the three months of the preceding calendar quarter. The interest shall be compounded quarterly.

(8) GTE shall furnish, to each customer entitled to a credit or a refund, either a copy of this Order or an explanation of the rebilling error. Any such explanation must receive prior review and approval by the Division of Communications.

(9) GTE will report to the Commission the results of all such monies credited to customers or refunded to former customers within 18 months of the date of the Order.

(10) All issues raised in this matter concerning GTE's alleged violations of Title 56 of the Code of Virginia are hereby settled. There being nothing further to come before the Commission, this matter is dismissed from the Commission's docket and the papers collected herein shall be placed in the file for ended causes.

CASE NO. PUC980088
SEPTEMBER 9, 1998

PETITION OF
DIECA COMMUNICATIONS INC., D/B/A COVAD COMMUNICATIONS COMPANY

For arbitration of unresolved issues from interconnection negotiations with Bell Atlantic-Virginia, Inc. pursuant to § 252 of the Telecommunications Act of 1996

ORDER OF DISMISSAL

On June 12, 1998, DIECA Communications, Inc., d/b/a Covad Communications Company ("Covad") filed a petition for arbitration of unresolved issues from interconnection negotiations with Bell Atlantic-Virginia, Inc. ("BA-VA") pursuant to § 252(b) of the Telecommunications Act of 1996 ("the Act"). By orders dated July 7, 1998 and August 5, 1998, the Commission set procedural deadlines, scheduled an evidentiary hearing for September 1, 1998, and assigned the case to a Hearing Examiner.

On August 31, 1998, BA-VA's counsel informed the Commission's Staff that the parties had reached a settlement on the unresolved issues raised in Covad's petition and that Covad would file with the Commission to withdraw the petition. On September 2, 1998, Covad filed a letter requesting withdrawal of its petition for arbitration, and stating that the parties had reached a settlement of Covad's petition which included, among other things, filing an interconnection agreement with the Commission within thirty days. On that same date, Hearing Examiner Alexander F. Skirpan, Jr. issued his report in this matter. He found that Covad's request to withdraw its petition should be granted and recommended that the Commission enter an order dismissing Covad's petition.

Having considered the record and the Hearing Examiner's Report, the Commission is of the opinion and finds that the findings and recommendations of the Hearing Examiner should be adopted in full. Accordingly,

IT IS ORDERED THAT:

(1) The findings and recommendations of the Hearing Examiner's September 2, 1998 Report hereby are adopted in full.

(2) There being nothing further to be done herein, this matter shall be dismissed, and the papers filed herein made a part of the Commission's file for ended causes.

CASE NO. PUC980089
SEPTEMBER 4, 1998

APPLICATION OF
BELL ATLANTIC-VIRGINIA, INC.

For approval of an interconnection agreement under § 252(e) of the Telecommunications Act of 1996

ORDER APPROVING AGREEMENT

On June 15, 1998, Bell Atlantic-Virginia, Inc. ("BA-VA"), and BellSouth BSE of Virginia, Inc. ("BellSouth BSE"), filed for Commission approval, pursuant to §§ 251 and 252 of the Telecommunications Act of 1996 ("the Act"), 47 U.S.C. §§ 251 and 252, their interconnection agreement ("Agreement"). The Agreement was described as a resale agreement effective as of May 14, 1998.

The Commission has constitutional and statutory duties to regulate the operations of telecommunications public service companies to assure conformance to the public interest. See Va. Const. Art. IX § 2 and § 56-35 of the Code of Virginia. This authority has been reaffirmed by the enactment of § 56-235.5.B and § 56-265.4:4.C.1. Whether the Commission is authorizing alternative forms of regulation or certificating competitive providers, it must assure the continuation of quality local exchange service and protect the public interest. Notwithstanding their negotiated Agreement, BA-VA, BellSouth BSE and all other providers of local exchange service must comply with all statutory standards and Commission rules and regulations.

Counsel for BA-VA indicated that a copy of the Agreement was served on the modified service list in this case as defined in the Commission's Procedural Rules for Implementing §§ 251 and 252 of the Telecommunications Act of 1996, as adopted in Case No. PUC960059, 20 VAC 5-400-190. Comments were to be filed by July 16, 1998, and none were received.

We have one area of concern with the Agreement. Section 30.2 under the heading of "Responsibility for Charges" appears to obligate BellSouth BSE to pay for services provided by parties other than BA-VA regardless of whether BellSouth BSE is paid for those charges by its customers. This Agreement between BellSouth BSE and BA-VA does not affect the rights of end users to dispute such charges and does not excuse either company from complying with the Commission's billing and collection rules. Notwithstanding this concern, we find that the Agreement should be approved pursuant to the standards of § 252(e)(2)(A) of the Act. It should not, however, be viewed as Commission precedent for other agreements. The Agreement is directly binding only on BA-VA and BellSouth BSE. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) Pursuant to the Commission's authority to regulate public service companies as authorized by the Va. Const. Art. IX § 2 and § 56-35 of the Code of Virginia, the Interconnection Agreement submitted by BA-VA and BellSouth BSE is hereby approved as complying with § 252(e) of the Act.

(2) Pursuant to § 252(h) of the Act, a copy of this Agreement shall be kept on file in the Commission's Division of Communications for inspection by the public.

(3) This case is continued generally for the consideration of any subsequent amendments or revisions to the Agreement.

CASE NO. PUC980090
SEPTEMBER 2, 1998

APPLICATION OF
BELL ATLANTIC-VIRGINIA, INC.
and
ACCESS VIRGINIA, INC.

For approval of an interconnection agreement under § 252 (e) of the Telecommunications Act of 1996

ORDER APPROVING AGREEMENT

On June 15, 1998, Bell Atlantic-Virginia, Inc. ("BA-VA") and Access Virginia, Inc. ("Access") filed for Commission approval pursuant to §§ 251 and 252 of the Telecommunications Act of 1996 ("Act"), 47 U.S.C. §§ 251 and 252, their interconnection agreement ("Agreement"). The Agreement is described as a resale agreement effective as of February 15, 1998.

The Commission has constitutional and statutory duties to regulate the operation of telecommunications public service companies to assure conformance to the public interest. See Va. Const. Art. IX, § 2 and § 56-35 of the Code of Virginia. This authority has been reaffirmed by the enactment of § 56-235.5.B and § 56-265.4:4.C.1. Whether the Commission is authorizing alternative forms of regulation or certificating competitive providers, it must assure the continuation of quality local exchange service and protect the public interest.

Notwithstanding their negotiated agreement, BA-VA, Access, and all other providers of local exchange service must comply with all statutory standards and Commission rules and regulations.

Counsel for BA-VA indicated that a copy of the Agreement was served on the modified service list in this case as defined in the Commission's Procedural Rules for Implementing §§ 251 and 252 of the Act, as adopted in Case No. PUC960059, 20 VAC 5-400-190. Comments were to be filed on or before July 6, 1998, and none were received.

We have one area of concern with the Agreement. Section 30.2 under the heading of "Responsibility for Charges" appears to obligate Access to pay BA-VA for certain services provided by parties other than BA-VA regardless of whether Access is paid for those charges by its customers. This agreement between Access and BA-VA does not affect the rights of end users to dispute such charges and does not excuse either company from complying with the Commission's billing and collection rules. Notwithstanding this concern, the Commission finds that the Agreement should be approved pursuant to the standards of § 252(e)(2)(A) of the Act. This approval should not, however, be viewed as Commission precedent for other agreements. The Agreement is directly binding only on BA-VA and Access. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) Pursuant to the Commission's authority to regulate public service companies as authorized by the Virginia Constitution, Article IX, § 2 and § 56-35 of the Code of Virginia, the interconnection agreement submitted by BA-VA and Access is hereby approved, as complying with § 252(e) of the Act.

(2) Pursuant to § 252(h) of the Act, a copy of this Agreement shall be kept on file in the Commission's Division of Communications for inspection by the public.

(3) The matter is continued generally for the consideration of any subsequent revisions or amendments to the Agreement.

CASE NO. PUC980093
SEPTEMBER 23, 1998

APPLICATION OF
Z-TEL COMMUNICATIONS OF VIRGINIA, INC.

For a certificate of public convenience and necessity to provide local exchange telecommunications service

FINAL ORDER

On June 19, 1998, Z-Tel Communications of Virginia, Inc. ("Z-Tel" or "the Applicant") filed an application for a certificate of public convenience and necessity to provide local exchange telecommunications service throughout the Commonwealth of Virginia.

By order dated July 10, 1998, the Commission directed the Applicant to provide notice to the public of its application, directed the Commission Staff to conduct an investigation and file a report, and scheduled a public hearing to receive evidence relevant to Z-Tel's application.

On September 4, 1998, the Staff filed its report finding that Z-Tel's application was in compliance with the Commission's Rules for Local Exchange Telephone Competition, as adopted in Case No. PUC950018, except that Z-Tel did not provide audited financial statements. Based upon its

review of Z-Tel's application and unaudited financial statements, the Staff determined it would be appropriate to grant a local exchange certificate to Z-Tel subject to two conditions: (1) any customer deposits collected by the Company shall be retained in an unaffiliated third-party escrow account until such time as the Staff or Commission determines is necessary; and (2) Z-Tel shall provide audited financial statements to the Staff on or before the effective date of its initial tariff.

A hearing was conducted on September 16, 1998. Z-Tel filed proof of publication and proof of service as required by the July 10, 1998 scheduling order. At the hearing, the application, with accompanying exhibits, and the Staff Report were entered into the record without objection.

Having considered the application and the Staff Report, the Commission finds that such application should be granted. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) Z-Tel Communications of Virginia, Inc. is hereby granted a certificate of public convenience and necessity, No. T-417, to provide local exchange telecommunications service subject to the restrictions set forth in the Commission's Rules for Local Exchange Telephone Competition, § 56-265.4:4 of the Code of Virginia, and the provisions of this Order.

(2) Z-Tel shall file tariffs with the Division of Communications which conform with all applicable Commission rules and regulations.

(3) Z-Tel shall provide audited financial statements for itself or its parent, Z-Tel Communications, Inc., to the Staff no later than one year from the effective date of its initial tariff.

(4) Any customer deposits collected by the Company shall be retained in an unaffiliated third-party escrow account until such time as the Staff or the Commission determines is no longer necessary.

(5) There being nothing further to come before the Commission, this case shall be dismissed and the papers placed in the file for ended causes.

CASE NO. PUC980094
JUNE 26, 1998

APPLICATION OF
GTE SOUTH INCORPORATED
and
ATLANTIC TELECOM, INCORPORATED

For approval of interconnection agreement under § 252(E) of the Telecommunications Act of 1996

ORDER APPROVING AGREEMENT

On May 18, 1998, GTE South Incorporated ("GTE") and Atlantic Telecom, Inc. ("Atlantic") filed for Commission approval, pursuant to §§ 251 and 252 of the Telecommunications Act of 1996 ("the Act"), 47 U.S.C. §§ 251 and 252, their interconnection agreement ("Agreement").

This Agreement establishes the terms, conditions and prices for the purchase by Atlantic of certain resale services from GTE. However, this Agreement includes two sets of prices. The first prices are the GTE terms referenced in Appendix 45A, and the second prices are those in Appendix 45B, which are the rates established in the GTE/Cox Interconnection, Resale and Unbundling Agreement. The parties have agreed to utilize the rates established in Appendix 45B unless those rates are deemed unlawful, or are stayed or enjoined. In that event, the GTE rates, terms and conditions in Appendix 45A would apply and be effective retroactive to the effective date of the Agreement.

The Commission has constitutional and statutory duties to regulate the operations of telecommunications public service companies to assure conformance to the public interest. See Va. Const. Art. IX, § 2 and § 56-35 of the Code of Virginia. This authority has been reaffirmed by the enactment of § 56-235.5.B and § 56-265.4:4.C.1. Whether the Commission is authorizing alternative forms of regulation or certificating competitive providers, it must assure the continuation of quality local exchange services and protect the public interest. Notwithstanding their negotiated agreement, GTE, Atlantic, and all other providers of local exchange service must comply with all statutory standards and Commission rules and regulations.

Counsel for GTE indicated that a copy of the Agreement was served on the modified service list in this case as defined in the Commission's Procedural Rules for Implementing §§ 251 and 252 of the Telecommunications Act of 1996, as adopted in Case No. PUC960059, 20 VAC 5-400-190. ("procedural rules"). Comments were to be filed on or before June 8, 1998, and none were received.

As required by § A(2) of the procedural rules, we have reviewed the negotiated portions of the Agreement pursuant to § 252(e)(2)(A) of the Act. Under these criteria, we find no reason to reject this Agreement. However, there is at least one portion of the Agreement that requires our attention.

In Article III, Section 45, "Amendment of Certain Resale Rates," the following language appears:

> The resale rates (including rates which may be applicable under true-up) specified in both the "GTE Terms" and the "COX Terms" are further subject to amendment, retroactive to the Effective Date of the Agreement, to provide for charges or rate adjustments resulting from future Commission or other proceedings, including but not limited to any generic proceeding to determine GTE's unrecovered costs (e.g., historic costs, contribution, undepreciated reserve deficiency, or similar unrecovered GTE costs (including GTE's end user surcharge)), the establishment of a competitively neutral universal service system, or any appeal or other litigation.

The Commission is concerned the language here not be interpreted to define or mandate the parameters for any future Commission proceeding. If and when the Commission conducts any further proceeding(s) to determine prices applicable to interconnection for GTE, it will do as it is required and in accordance with the pricing standards established in § 252(d) of the Act. The parties are free to negotiate activities that they themselves will conduct, but the parties cannot agree to bind or direct future Commission actions. To the extent that there are other sections of the Agreement that attempt to bind the Commission's future actions, they shall not be enforceable.

Despite the above comments, we find that the Agreement should be approved. The Agreement is binding only on GTE and Atlantic and should not be viewed as precedent for other agreements. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) Pursuant to the Commission's authority to regulate public service companies as authorized by the Virginia Constitution, Art. IX, § 2 and § 56-35 of the Code of Virginia, the interconnection agreement submitted by GTE and Atlantic hereby is approved as complying with § 252(e) of the Act.

(2) Pursuant to § 252(h) of the Act, a copy of this Agreement shall be kept on file in the Commission's Division of Communications for inspection by the public.

(3) This matter is continued generally for the consideration of any subsequent revisions or amendments to the Agreement.

CASE NO. PUC980095
SEPTEMBER 18, 1998

APPLICATION OF
BELL ATLANTIC-VIRGINIA, INC.
and
JERRY LAQUIERE, a sole proprietorship

For approval of an interconnection agreement under § 252 (e) of the Telecommunications Act of 1996

ORDER APPROVING AGREEMENT

On June 22, 1998, Bell Atlantic-Virginia, Inc. ("BA-VA") and Jerry LaQuiere, a sole proprietorship ("LaQuiere"), filed for Commission approval pursuant to §§ 251 and 252 of the Telecommunications Act of 1996 ("Act"), 47 U.S.C. §§ 251 and 252, their interconnection agreement ("Agreement"). The Agreement is described as a resale agreement effective as of March 25, 1998.

The Commission has constitutional and statutory duties to regulate the operation of telecommunications public service companies to assure conformance to the public interest. See Va. Const. Art. IX, § 2 and § 56-35 of the Code of Virginia. This authority has been reaffirmed by the enactment of § 56-235.5.B and § 56-265.4.C.1. Whether the Commission is authorizing alternative forms of regulation or certificating competitive providers, it must assure the continuation of quality local exchange service and protect the public interest.

Notwithstanding their negotiated agreement, BA-VA, LaQuiere, and all other providers of local exchange service must comply with all statutory standards and Commission rules and regulations. Accordingly, we remind the parties that LaQuiere has not yet obtained from this Commission a certificate to provide competitive local exchange service in Virginia. LaQuiere cannot provide service under the negotiated agreement without such a certificate.

Counsel for BA-VA indicated that a copy of the Agreement was served on the modified service list in this case as defined in the Commission's Procedural Rules for Implementing §§ 251 and 252 of the Act, as adopted in Case No. PUC960059, 20 VAC 5-400-190. Comments were to be filed on or before July 13, 1998, and none were received.

We have one area of concern with the Agreement. Section 30.2 under the heading of "Responsibility for Charges" appears to obligate LaQuiere to pay BA-VA for certain services provided by parties other than BA-VA regardless of whether LaQuiere is paid for those services by its customers. This agreement between LaQuiere and BA-VA does not affect the rights of end users to dispute such charges and does not excuse either company from complying with the Commission's billing and collection rules. Notwithstanding this concern, the Commission finds that the Agreement should be approved pursuant to the standards of § 252(e)(2)(A) of the Act. This approval should not, however, be viewed as Commission precedent for other agreements. The Agreement is directly binding only on BA-VA and LaQuiere. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) Pursuant to the Commission's authority to regulate public service companies as authorized by the Virginia Constitution, Article IX, § 2 and § 56-35 of the Code of Virginia, the interconnection agreement submitted by BA-VA and Jerry LaQuiere is hereby approved, as complying with § 252(e) of the Act.

(2) Pursuant to § 252(h) of the Act, a copy of this Agreement shall be kept on file in the Commission's Division of Communications for inspection by the public.

(3) The matter is continued generally for the consideration of any subsequent revisions or amendments to the Agreement.

CASE NO. PUC980096
SEPTEMBER 2, 1998

APPLICATION OF
BELL ATLANTIC-VIRGINIA, INC.
and
VIRGINIA PCS ALLIANCE, L.C.

For approval of an interconnection agreement under § 252(e) of the Telecommunications Act of 1996

ORDER APPROVING AGREEMENT

On June 22, 1998, Bell Atlantic-Virginia, Inc. ("BA-VA") and Virginia PCS Alliance, L.C. ("The Alliance") filed for Commission approval pursuant to §§ 251 and 252 of the Telecommunications Act of 1996 ("Act"), 47 U.S.C. §§ 251 and 252, their interconnection agreement ("Agreement"). The Agreement is dated April 30, 1998.

The Commission has constitutional and statutory duties to regulate the operations of telecommunications public service companies to assure conformance to the public interest. See Va. Const. Art. IX, § 2 and § 56-35 of the Code of Virginia. This authority has been reaffirmed by the enactment of § 56-235.5.B and § 56-265.4:4.C.1. Whether the Commission is authorizing alternative forms of regulation or certificating competitive providers, it must assure the continuation of quality local exchange service and protect the public interest.

Notwithstanding their negotiated agreement, BA-VA, The Alliance, and all other providers of local exchange service must comply with all statutory standards and Commission rules and regulations.

Counsel for BA-VA indicated that a copy of the Agreement was served on the modified service list in this case as defined in the Commission's Procedural Rules for Implementing §§ 251 and 252 of the Act, as adopted in Case No. PUC960059, 20 VAC 5-400-190. Comments were to be filed on or before July 13, 1998, and none were received.

The Commission finds that the Agreement should be approved pursuant to the standards of § 252(e)(2)(A) of the Act. This approval should not, however, be viewed as Commission precedent for other agreements. The Agreement is directly binding only on BA-VA and The Alliance. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) Pursuant to the Commission's authority to regulate public service companies as authorized by the Virginia Constitution, Article IX, § 2 and § 56-35 of the Code of Virginia, the interconnection agreement submitted by BA-VA and The Alliance is hereby approved, as complying with § 252(e) of the Act.

(2) Pursuant to § 252(h) of the Act, a copy of this Agreement shall be kept on file in the Commission's Division of Communications for inspection by the public.

(3) The matter is continued generally for the consideration of any subsequent revisions or amendments to the Agreement.

CASE NO. PUC980097
SEPTEMBER 11, 1998

APPLICATION OF
AEP COMMUNICATIONS, LLC

For a certificate of public convenience and necessity to provide interexchange telecommunications services

ORDER GRANTING CERTIFICATE

On June 18, 1998, AEP Communications, LLC ("AEPC" or "the Company") filed an application with the State Corporation Commission ("Commission") for a certificate to provide, by lease or otherwise, intrastate wholesale telecommunications capacity to local exchange carriers ("LECs") and interexchange carriers ("IXCs") and to provide non-switched private network services to other third parties. AEPC also requested authority to price its interexchange services on a competitive basis pursuant to § 56-481.1 of the Code of Virginia. The Company further sought approval of its initial tariffs, and asked that it be granted individual contract basis pricing authority to permit negotiation of its contract services to meet the needs of AEPC customers. In its application, AEPC represented that it would provide intrastate services over its continuous interstate fiber optic facility running from Ohio and West Virginia to Roanoke, Virginia.

By Order dated July 10, 1998, the Commission directed AEPC to give notice to the public of its application, authorized the Commission Staff to file a report or testimony herein and provided an opportunity for interested persons to comment or request a hearing on the Company's application.

No timely request for hearing was filed in this matter.[1]

[1] The Grayson County Board of Supervisors ("the County") filed comments dated August 25, 1998, objecting to AEPC's application. These comments questioned American Electric Power's commitment to provide capital to serve its electric utility franchised areas adequately. However, the County did not request a hearing on AEPC's proposal to provide interexchange telecommunications service. The Commission has jurisdiction to regulate Appalachian Power Company's ("APCO's") provision of electric service in Virginia. Although the adequacy of electric service is not an issue in this proceeding, we continue to regulate the adequacy of APCO's service in Virginia. No other comments were filed in this proceeding.

On August 6, 1998, the Commission Staff filed its Report. That Report contained the Commission's Divisions of Communications and Economic and Finance's evaluation of the Company's application. In its Report, the Staff stated that AEPC had agreed to make certain revisions to the tariff the Staff had requested the Company to make. The Staff found AEPC's request for a certificate to provide interexchange telecommunications service to be in compliance with the certification requirements set out in the Commission's Rules Governing the Certification of Interexchange Carriers, and did not object to AEPC's request for authority to base its rates on competitive factors and for individual basis contract pricing authority.[2]

In its Report, the Staff also observed that AEPC's affiliation with American Electric Power ("AEP") assured AEPC's financial ability to provide interexchange services. It concluded that AEPC had demonstrated the financial, technical, and managerial ability necessary to receive a certificate of public convenience and necessity to provide interexchange service in Virginia. As such, Staff recommended that the Commission grant a certificate of public convenience and necessity to provide interexchange telecommunications services to AEPC.

AEPC did not file rebuttal testimony in the matter, and on August 18, 1998, filed its proof of publication of the notice and service required by the July 10, 1998 Order Prescribing Notice.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that it is appropriate to grant a certificate of public convenience and necessity to provide interexchange telecommunications services to AEP Communications, LLC. We note that AEPC intends to provide its intrastate services over the interstate fiber optic facility running from Ohio and West Virginia to Roanoke, Virginia. We find that AEPC's use of these facilities should continue to be governed by the provisions of our March 4, 1998 Order Granting Approval in Case No. PUA970035.

Additionally, we find it appropriate for AEPC to price its interexchange services on a competitive basis pursuant to § 56-481.1 of the Code of Virginia and will grant AEPC individual contract pricing authority. Finally, we find AEPC should provide revised tariffs to our Division of Communications which conform with all applicable Commission rules and regulations. Accordingly,

IT IS ORDERED THAT:

(1) AEP Communications, LLC is hereby granted Certificate of Public Convenience and Necessity, No. TT-52A to provide interexchange services subject to the restrictions set forth in the Commission's Rules Governing the Certification of Interexchange Carriers, as amended in Case No. PUC850035, § 56-265.4:4 of the Code of Virginia, and the provisions of this Order.

(2) Pursuant to § 56-481.1 of the Code of Virginia, AEPC may price its interexchange services competitively and is also granted individual basis contract pricing authority.

(3) AEP Communications, LLC shall provide tariffs to the Division of Communications which conform with all applicable Commission rules, regulations, and orders.

(4) There being nothing further to be done in this matter, this case shall be dismissed from the Commission's docket of active cases and the papers filed herein made a part of the Commission's file for ended causes.

[2] Staff noted that certain affiliate transactions between AEPC and Appalachian Power Company were approved, subject to various conditions in the Commission's March 4, 1998 Order entered in Case No. PUA970035. See Application of Appalachian Power Company, For approval of affiliate transactions with AEP Communications, LLC, Case No. PUA970035, Doc. Control No. 980310150 (March 4, 1998, Order Granting Approval).

CASE NO. PUC980097
SEPTEMBER 23, 1998

APPLICATION OF
AEP COMMUNICATIONS, LLC

For a certificate of public convenience and necessity to provide interexchange telecommunications services

AMENDING ORDER

On September 11, 1998, the State Corporation Commission ("Commission") entered an Order granting a certificate of public convenience and necessity to AEP Communications, LLC ("AEPC" or "the Company") to provide interexchange telecommunications services. As a result of a clerical error, Ordering Paragraph (1) of that Order granted Certificate of Public Convenience and Necessity No. TT-52A to AEPC. Certificate No. TT-52A had already been assigned to another interexchange telecommunications company. Therefore, we find that Ordering Paragraph (1) should be amended to change the reference to "Certificate of Public Convenience and Necessity No. TT-52A" to "Certificate of Public Convenience and Necessity No. TT-56A". Accordingly,

IT IS ORDERED THAT:

(1) Ordering Paragraph (1) of the September 11, 1998 Order Granting Certificate shall be amended to read as follows:

> AEP Communications, LLC is hereby granted Certificate of Public Convenience and Necessity No. TT-56A to provide interexchange services subject to the restrictions set forth in the Commission's Rules Governing the Certification of Interexchange Carriers, as amended in Case No. PUC850035, § 56-265.4:4 of the Code of Virginia, and the provisions of this Order.

(2) Except as provided herein, the directives and findings of the September 11, 1998 Order Granting Certificate shall remain in effect.

CASE NO. PUC980099
SEPTEMBER 2, 1998

APPLICATION OF
BELL ATLANTIC-VIRGINIA, INC.
and
NTEL COMMUNICATIONS, LLC

For approval of an interconnection Agreement under § 252(e) of the Telecommunications Act of 1996

ORDER APPROVING AGREEMENT

On June 30, 1998, Bell Atlantic-Virginia, Inc. ("BA-VA") and Ntel Communications, LLC ("Ntel") filed for Commission approval pursuant to §§ 251 and 252 of the Telecommunications Act of 1996 ("the Act"), 47 U.S.C. §§ 251 and 252, their interconnection agreement ("Agreement"). The Agreement was described as a resale agreement effective as of May 1, 1998.

The Commission has constitutional and statutory duties to regulate the operations of telecommunications public service companies to assure conformance to the public interest. See Va. Const. Art. IX, § 2 and § 56-35 of the Code of Virginia. This authority has been reaffirmed by the enactment of § 56-235.5B and § 56-265.4:4.C.1. Whether the Commission is authorizing alternative forms of regulation or certificating competitive providers, it must assure the continuation of quality local exchange service and protect the public interest. Notwithstanding their negotiated agreement, BA-VA, Ntel, and all other providers of local exchange service must comply with all statutory standards and Commission rules and regulations.

Counsel for BA-VA indicated that a copy of the Agreement was served on the modified service list in this case as defined in the Commission's Procedural Rules for Implementing §§ 251 and 252 of the Act, as adopted in Case No. PUC960059, 20 VAC 5-400-190. Comments were to be filed on or before July 21, 1998, and none were received.

We have one area of concern with the Agreement. Section 30.2 under the heading of "Responsibility for Charges" appears to obligate Ntel to pay BA-VA for certain services provided by parties other than BA-VA regardless of whether Ntel is paid for those charges by its customers. This agreement between Ntel and BA-VA does not affect the rights of end users to dispute such charges and does not excuse either company from complying with the Commission's billing and collection rules. Notwithstanding this concern, the Commission finds that the Agreement should be approved pursuant to the standards of § 252(e)(2)(A) of the Act. This approval should not, however, be viewed as Commission precedent for other agreements. The Agreement is directly binding only on BA-VA and Ntel. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) Pursuant to the Commission's authority to regulate public service companies as authorized by the Virginia Constitution, Art. IX, § 2 and § 56-35 of the Code of Virginia, the interconnection agreement submitted by BA-VA and Ntel is hereby approved, as complying with § 252(e) of the Act.

(2) Pursuant to § 252(h) of the Act, a copy of this Agreement shall be kept on file in the Commission's Division of Communications for inspection by the public.

(3) This matter is continued generally for the consideration of any subsequent revisions or amendments to the Agreement.

CASE NO. PUC980100
OCTOBER 27, 1998

APPLICATION OF
ICG TELECOM GROUP OF VIRGINIA, INC.

For a certificate of public convenience and necessity to provide local exchange telecommunications services

FINAL ORDER

On August 3, 1998, ICG Telecom Group of Virginia, Inc. ("ICG" or "the Company") completed an application for a certificate of public convenience and necessity ("certificate") to provide local exchange telecommunications services throughout the Commonwealth of Virginia. By Order dated August 14, 1998, the Commission directed the Company to provide notice to the public of its application, directed the Commission Staff to conduct an investigation and file a report, and scheduled a public hearing to receive evidence relevant to such application. By Order dated August 19, 1998, the Commission amended the August 14, 1998 Order for Notice and Hearing and rescheduled the public hearing on ICG's application from October 14, 1998 to October 15, 1998.

On September 24, 1998, Staff filed its report finding that ICG's application was in compliance with the Commission's Rules for Local Exchange Competition as adopted in Case No. PUC950018. Based upon its review of ICG's application and the audited financial statements of ICG's parent, ICG Communications, Inc., the Staff determined it would be appropriate to grant a local exchange certificate to ICG.

A hearing was conducted on October 15, 1998. ICG filed proof of publication and proof of service as required by the August 14, 1998 Order[1]. At the hearing, the application, the Company's exhibits and Staff's report were entered into the record without objection.

Having considered the application and the Staff's report, the Commission finds that such application should be granted. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) ICG Telecom Group of Virginia, Inc. is hereby granted a certificate of public convenience and necessity, No. T-420 to provide local exchange telecommunications service subject to the restrictions set forth in the Commission's Rules for Local Exchange Telephone Competition, § 56-265.4:4 of the Code of Virginia, and the provisions of this Order.

(2) ICG shall provide tariffs to the Division of Communications which conform with all applicable Commission rules and regulations.

(3) There being nothing further to come before the Commission, this case shall be dismissed and the papers placed in the file for ended causes.

[1] ICG did not serve notice of its application on all certificated carriers within the time prescribed by the Commission's Order. ICG consulted counsel for the Staff, and subsequently served notice on those carriers on October 1, 1998, inviting comments or Notices of Protest to be filed by October 22, 1998. No comments or Notices of Protest were filed.

CASE NO. PUC980101
OCTOBER 27, 1998

APPLICATION OF
GTE SOUTH, INC.

To implement extended local service from its Grundy exchange to Bell Atlantic-Virginia, Inc.'s Honaker exchange

FINAL ORDER

On July 1, 1998, GTE South, Inc. ("GTE" or "the Company") filed an application with the State Corporation Commission ("Commission") pursuant to the provisions of § 56-484.2 of the Code of Virginia. GTE proposed to notify its Grundy exchange subscribers of the increases in monthly rates that would be necessary to extend their local service to include the Honaker exchange of Bell Atlantic-Virginia, Inc. ("BA-VA"). Customers in the Honaker exchange had previously petitioned the Commission for local calling to Grundy. In a poll conducted in response to the petition, the majority of Honaker customers responding to the poll supported paying higher rates for local calling to Grundy. A poll of Grundy subscribers in response to this application was not required under § 56-484.2(A) of the Code of Virginia because the proposed rate increase for one-party residential customers did not exceed five percent (5%) of the existing monthly one-party residential rate.

By Order dated July 17, 1998, the Commission directed GTE to publish notice of the proposed increase. Affected telephone customers were given until September 30, 1998, to file comments or request a hearing on the proposal. No comments or requests for hearing were received.

On September 1, 1998, GTE filed proof of notice as required by the Commission's July 17, 1998 Order.

On October 15, 1998, the Commission Staff submitted its report regarding the Company's application. The Staff recommended that GTE's application to implement extended local service from its Grundy exchange into BA-VA's Honaker exchange be approved. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) The proposed extension of local service from GTE's Grundy exchange to BA-VA's Honaker exchange shall be implemented.

(2) GTE shall file the tariff revisions necessary for the proposed extension of local service.

(3) There being nothing further to come before the Commission, this docket is closed and the papers filed herein shall be placed in the file for ended causes.

CASE NO. PUC980102
OCTOBER 7, 1998

APPLICATION OF
GTE SOUTH INCORPORATED
and
KMC TELECOM OF VIRGINIA, INC.

For approval of interconnection agreement under § 252(e) of the Telecommunications Act of 1996

ORDER APPROVING AGREEMENT

On July 9, 1998, GTE South Incorporated ("GTE") and KMC Telecom of Virginia, Inc. ("KMC") filed for Commission approval, pursuant to §§ 251 and 252 of the Telecommunications Act of 1996 ("the Act"), 47 U.S.C. §§ 251 and 252, their interconnection agreement ("Agreement").

This Agreement establishes the terms, conditions and prices for the mutual exchange and termination of traffic originating on each party's network and the purchase by KMC of unbundled network elements and certain resale services from GTE. However, this Agreement provides for two sets of prices. The first set of prices is the GTE Terms, shown in Appendix 40A, and the second set is the Cox Terms, shown in Appendix 40B. Section 40 of Article 3 of the Agreement provides that if the Cox Terms are deemed to be unlawful, or are stayed, enjoined or otherwise modified, in whole or part by a court or commission of competent jurisdiction, then the Agreement shall be deemed to have been amended to modify the Cox Terms or substitute the GTE Terms, retroactive to the effective date of the Agreement.

The Commission has constitutional and statutory duties to regulate the operations of telecommunications public service companies to assure conformance to the public interest. See Va. Const. Art. IX, sec. 2 and § 56-35 of the Code of Virginia. This authority has been reaffirmed by the enactment of § 56-235.2.B and § 56-265.4:4.C.1. Whether the Commission is authorizing alternative forms of regulation or certificating competitive providers, it must assure the continuation of quality local exchange service and protect the public interest. Notwithstanding their negotiated agreement, GTE, KMC and all other providers of local exchange service must comply with all statutory standards and Commission rules and regulations.

Counsel for GTE and KMC indicated that a copy of the Agreement was served on the modified service list in this case as defined in the Commission's Procedural Rules for Implementing §§ 251 and 252 of the Telecommunications Act of 1996, as adopted in Case No. PUC960059, 20 VAC 5-400-190, ("procedural rules"). Comments were to be filed on or before July 30, 1998, and none were received.

As required by § A(2) of the procedural rules, we have reviewed the negotiated portions of the Agreement pursuant to § 252(e)(2)(A) of the Act. Under these criteria, we find no reason to reject this Agreement. However, there is at least one portion of the Agreement that requires our attention.

In Article 3, Section 40, "Amendment of Certain Rates, Terms and Conditions", the following language appears:

> The rates, terms and conditions (including rates which may be applicable under true-up) specified in both the "GTE Terms" and the "Cox Terms" are further subject to amendment, retroactive to the Effective Date of the Agreement, to provide for charges or rate adjustments resulting from future Commission or other proceedings, including but not limited to any generic proceeding to determine GTE's unrecovered costs (e.g., historic costs, contribution, undepreciated reserve deficiency, or similar unrecovered GTE costs (including GTE's end user surcharge)), the establishment of a competitively neutral universal service system, or any appeal or other litigation.

The Commission is concerned the language here not be interpreted to define or mandate the parameters for any future Commission proceeding. If and when the Commission conducts any further proceeding(s) to determine prices applicable to interconnection for GTE, it will do as it is required and in accordance with the pricing standards established in § 252(d) of the Act. The parties are free to negotiate activities that they themselves will conduct, but the parties cannot agree to bind or direct future Commission actions. To the extent that there are other sections of the Agreement that attempt to bind the Commission's future actions, they shall not be enforceable.

Despite the above comments, we find that the Agreement should be approved. The Agreement is binding only on GTE and KMC and should not be viewed as precedent for other agreements. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) Pursuant to the Commission's authority to regulate public service companies as authorized by the Virginia Constitution Art. IX, § 2 and § 56-35 of the Code of Virginia, the interconnection agreement submitted by GTE and KMC is hereby approved as complying with § 252(e) of the Act.

(2) Pursuant to § 252(h) of the Act, a copy of this Agreement shall be kept on file in the Commission's Division of Communications for inspection by the public.

(3) This matter is continued generally for the consideration of any subsequent revisions or amendments to the Agreement.

CASE NO. PUC980103
OCTOBER 27, 1998

APPLICATION OF
CTC COMMUNICATIONS OF VIRGINIA, INC.

For a certificate of public convenience and necessity to provide local exchange and interexchange telecommunications services

FINAL ORDER

On August 20, 1998, CTC Communications of Virginia, Inc. ("CTC" or "the Company") completed an application for certificates of public convenience and necessity ("certificate") to provide local exchange and interexchange telecommunications services throughout the Commonwealth of Virginia.

By Order dated August 28, 1998, the Commission directed the Company to provide notice to the public of its application, directed the Commission Staff to conduct an investigation and file a report, and scheduled a public hearing to receive evidence relevant to CTC's application. On October 6, 1998, Staff filed its report finding that CTC's application was in compliance with the Commission's Rules for Local Exchange Competition as adopted in Case No. PUC950018, and the Commission's Rules Governing the Certification of Interexchange Carriers, as amended in Case No. PUC850035. Based upon its review of CTC's application and the audited financial statements of CTC's parent, CTC Communications Corporation, the Staff determined it would be appropriate to grant a local exchange certificate and interexchange certificate to CTC.

A hearing was conducted on October 15, 1998. CTC filed proof of publication and proof of service as required by the August 28, 1998 scheduling order. At the hearing, the proof of notice, application and accompanying attachments, and the Staff's report were entered into the record without objection.

Having considered the application and the Staff's report, the Commission finds that CTC's application should be granted. Having considered § 56-481.1, the Commission also finds that CTC may price its interexchange services competitively. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) CTC Communications of Virginia, Inc. is hereby granted a certificate of public convenience and necessity, No. TT-58A to provide interexchange telecommunications service subject to the restrictions set forth in the Commission's Rules Governing the Certification of Interexchange Carriers, § 56-265.4:4 of the Code of Virginia, and the provisions of this Order.

(2) CTC Communications of Virginia, Inc. is hereby granted a certificate of public convenience and necessity, No. T-419 to provide local exchange telecommunications service subject to the restrictions set forth in the Commission's Rules for Local Exchange Telephone Competition, § 56-265.4:4 of the Code of Virginia, and the provisions of this Order.

(3) CTC shall provide tariffs to the Division of Communications which conform with all applicable Commission rules and regulations.

(4) Pursuant to § 56-481.1 of the Code of Virginia, CTC may price its interexchange service competitively.

(5) There being nothing further to come before the Commission, this case shall be dismissed and the papers herein placed in the file for ended causes.

CASE NO. PUC980104
SEPTEMBER 15, 1998

APPLICATION OF
BELL ATLANTIC-VIRGINIA, INC
and
NA COMMUNICATIONS, INC.

For approval of an interconnection agreement under § 252(e) of the Telecommunications Act of 1996

ORDER APPROVING AGREEMENT

On July 13, 1998, Bell Atlantic-Virginia, Inc. ("BA-VA") and NA Communications, Inc. ("NACI") filed for Commission approval, pursuant to §§ 251 and 252 of the Telecommunications Act of 1996 ("the Act"), 47 U.S.C. §§ 251 and 252, their interconnection agreement ("Agreement") dated June 1, 1998.

The Commission has constitutional and statutory duties to regulate the operations of telecommunications public service companies to assure conformance to the public interest. See Va. Const. Art. IX, § 2 and § 56-35 of the Code of Virginia. This authority has been reaffirmed by the enactment of § 56-235.5.B and § 56-265.4:4.C.1. Whether the Commission is authorizing alternative forms of regulation or certificating competitive providers, it must assure the continuation of quality local exchange service and protect the public interest. Notwithstanding their negotiated agreement, BA-VA, NACI, and all other providers of local exchange service must comply with all statutory standards and Commission rules and regulations.

Counsel for BA-VA indicated that a copy of the Agreement was served on the modified service list in this case as defined in the Commission's Procedural Rules for Implementing §§ 251 and 252 of the Act, as adopted in Case No. PUC960059, 20 VAC 5-400-190. Comments were to be filed on or before August 3, 1998, and none were received.

The Commission finds that the Agreement should be approved pursuant to the standards set forth in § 252(e)(2)(A) of the Act. This approval should not, however, be viewed as Commission precedent for other agreements. The Agreement is directly binding only on BA-VA and NACI. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) Pursuant to the Commission's authority to regulate public service companies as authorized by the Virginia Constitution, Art. IX, § 2 and § 56-35 of the Code of Virginia, the interconnection agreement submitted by BA-VA and NACI hereby is approved as complying with § 252(e) of the Act.

(2) Pursuant to § 252(h) of the Act, a copy of this Agreement shall be kept on file in the Commission's Division of Communications for inspection by the public.

(3) This matter is continued generally for the consideration of any subsequent revisions or amendments to the Agreement.

CASE NO. PUC980105
SEPTEMBER 15, 1998

APPLICATION OF
UNITED TELEPHONE-SOUTHEAST, INC.
and
NA COMMUNICATIONS, INC.

For approval of an interconnection agreement under § 252(e) of the Telecommunications Act of 1996

ORDER APPROVING AGREEMENT

On July 13, 1998, United Telephone-Southeast, Inc. ("United") filed for Commission approval, pursuant to §§ 251 and 252 of the Telecommunications Act of 1996 ("the Act"), 47 U.S.C. §§ 251 and 252, an interconnection agreement ("Agreement") with NA Communications, Inc. ("NACI") dated May 6, 1998.

The Commission has constitutional and statutory duties to regulate the operations of telecommunications public service companies to assure conformance to the public interest. See Va. Const. Art. IX, § 2 and § 56-35 of the Code of Virginia. This authority has been reaffirmed by the enactment of § 56-235.5.B and § 56-265.4:4.C.1. Whether the Commission is authorizing alternative forms of regulation or certificating competitive providers, it must assure the continuation of quality local exchange service and protect the public interest. Notwithstanding their negotiated agreement, United, NACI, and all other providers of local exchange service must comply with all statutory standards and Commission rules and regulations.

Counsel for United indicated that a copy of the Agreement was served on the modified service list in this case as defined in the Commission's Procedural Rules for Implementing §§ 251 and 252 of the Act, as adopted in Case No. PUC960059, 20 VAC 5-400-190. Comments were to be filed on or before August 3, 1998, and none were received.

The Commission finds that the Agreement should be approved pursuant to the standards set forth in § 252(e)(2)(A) of the Act. This approval should not, however, be viewed as Commission precedent for other agreements. The Agreement is directly binding only on United and NACI. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) Pursuant to the Commission's authority to regulate public service companies as authorized by the Virginia Constitution, Art. IX, § 2 and § 56-35 of the Code of Virginia, the interconnection agreement submitted by United and NACI hereby is approved as complying with § 252(e) of the Act.

(2) Pursuant to § 252(h) of the Act, a copy of this Agreement shall be kept on file in the Commission's Division of Communications for inspection by the public.

(3) This matter is continued generally for the consideration of any subsequent revisions or amendments to the Agreement.

CASE NO. PUC980106
OCTOBER 13, 1998

APPLICATION OF
BELL ATLANTIC-VIRGINIA, INC.
and
MEGATEL CORPORATION

For approval of interconnection agreement under § 252(e) of the Telecommunications Act of 1996

ORDER APPROVING AGREEMENT

On July 15, 1998, Bell Atlantic-Virginia, Inc. ("BA-VA") and Megatel Corporation ("Megatel") filed for Commission approval, pursuant to §§ 251 and 252 of the Telecommunications Act of 1996 ("the Act"), 47 U.S.C. §§ 251 and 252, their interconnection agreement ("Agreement") dated March 27, 1998.

The Commission has constitutional and statutory duties to regulate the operations of telecommunications public service companies to assure conformance to the public interest. See Va. Const. art. IX § 2 and § 56-35 of the Code of Virginia. This authority has been reaffirmed by the enactment of § 56-235.5.B and § 56-265.4:4.C.1. Whether the Commission is authorizing alternative forms of regulation or certificating competitive providers, it must assure the continuation of quality local exchange service and protect the public interest. Notwithstanding their negotiated agreement, BA-VA, Megatel and all other providers of local exchange service must comply with all statutory standards and Commission rules and regulations.

Counsel for BA-VA indicated that a copy of the Agreement was served on the modified service list in this case as defined in the Commission's Procedural Rules for Implementing §§ 251 and 252 of the Telecommunications Act of 1996, as adopted in Case No. PUC960059, 20 VAC 5-400-190 ("procedural rules"). Comments were to be filed by August 5, 1998, and none were received.

We have one area of concern with the Agreement. Section 30.2 under the heading of "Responsibility for Charges" appears to obligate Megatel to pay for services provided by parties other than BA-VA regardless of whether Megatel is paid for those charges by its customers. This agreement between Megatel and BA-VA does not affect the rights of end users to dispute such charges and does not excuse either company from complying with the Commission's billing and collection rules. Notwithstanding this concern, we find that the Agreement should be approved pursuant to the standards of § 252(e)(2)(A) of the Act. It should not, however, be viewed as Commission precedent for other agreements. The Agreement is directly binding on only BA-VA and Megatel. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) Pursuant to the Commission's authority to regulate public service companies as authorized by the Virginia Constitution, art. IX § 2 and § 56-35 of the Code of Virginia, the interconnection agreement submitted by BA-VA and Megatel is hereby approved as complying with § 252(e) of the Act.

(2) Pursuant to § 252(h) of the Act, a copy of this Agreement shall be kept on file in the Commission's Division of Communications for inspection by the public.

(3) This case is continued generally for the consideration of any subsequent amendments or revisions to the Agreement.

CASE NO. PUC980107
NOVEMBER 2, 1998

APPLICATION OF
GLOBAL NAPS SOUTH, INC.

For a certificate of public convenience and necessity to provide local exchange telecommunications services

FINAL ORDER

On July 15, 1998, Global NAPs South, Inc. ("Global NAPs" or "the Company") filed a completed application for certificate of public convenience and necessity ("certificate") to provide local exchange telecommunications services throughout the Commonwealth of Virginia[1]. As part of its application, Global NAPs requested a waiver of § 2.E.1 and § 5.A.4 of the Commission's Rules for Local Exchange Telephone Competition, as adopted in Case No. PUC950018 ("Local Rules") requiring the filing of audited financial statements. By Order dated August 19, 1998, the Commission directed the Company to provide notice to the public of its application, directed the Commission Staff to conduct an investigation and file a report, and scheduled a public hearing to receive evidence relevant to Global NAPs' application.

On October 2, 1998, Staff filed its report finding that Global NAPs' application was in compliance with the Commission's Local Rules, except that the financial statements submitted by Global NAPs were unaudited. Based upon its review of Global NAPs' application and the Company's requested waiver of Local Rule § 2.E.1 requiring audited financial statements to be filed with an application, the Staff determined it would be appropriate to grant a local exchange certificate to Global NAPs subject to two conditions: (1) any customer deposits collected by the Company be retained in an unaffiliated third-party escrow account until such time as the Staff or Commission determines is necessary; and (2) the Company shall provide audited financial statements for Global NAPs or its parent, Global NAPs, Inc. ("GNI") to the Staff no later than one year from the effective date of its initial tariff. Staff opposed the Company's request for a permanent waiver of Local Rule § 5.A.4 requiring carriers to file annually audited financial statements.

[1] Global NAPs amended its application on July 22, 1998 reflecting a name change from Global NAPs Virginia, Inc.

A hearing was conducted on October 15, 1998. Global NAPs filed proof of publication and proof of service as required by the August 19, 1998 scheduling order. At the hearing, the proof of notice, application and accompanying attachments, and the Staff's report were entered into the record without objection; and the Commission heard argument from counsel on Global NAPs' request for a permanent waiver of § 5.A.4 of the Commission's Local Rules.

Having considered the application and the Staff's report, the Commission finds that Global NAPs' application should be granted. We also find that the Company's request for a waiver of § 2.E.1 of the Local Rules, as it relates to filing audited financial statements with the application, should be granted. However, we further find that the request for a permanent waiver of Local Rule § 5.A.4 should be denied. Although we will require the Company to retain any customer deposits in an unaffiliated third-party escrow account, this requirement should not be interpreted to prevent the Company's normal access to deposits from delinquent terminated accounts. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) Global NAPs South, Inc. is hereby granted a certificate of public convenience and necessity, No. T-421 to provide local exchange telecommunications service subject to the restrictions set forth in the Commission's Rules for Local Exchange Telephone Competition, § 56-265.4:4 of the Code of Virginia, and the provisions of this Order.

(2) Global NAPs shall provide tariffs to the Division of Communications which conform with all applicable Commission rules and regulations.

(3) Should Global NAPs collect customer deposits, it shall establish and maintain an escrow account, held by an unaffiliated third party, for such funds and shall notify the Commission Staff of the escrow arrangement. Any escrow arrangement established pursuant to this Order shall be maintained for such time as the Staff or the Commission determines necessary.

(4) The Company shall provide audited financial statements for Global NAPs or its parent, GNI, to the Staff no later than one year from the effective date of its initial tariff.

(5) There being nothing further to come before the Commission, this case shall be dismissed and the papers herein placed in the file for ended causes.

CASE NO. PUC980108
OCTOBER 15, 1998

APPLICATION OF
BELL ATLANTIC-VIRGINIA, INC.
and
COMAV TELCO, INC.

For approval of an interconnection agreement under § 252(e) of the Telecommunications Act of 1996

ORDER APPROVING AGREEMENT

On July 17, 1998, Bell Atlantic-Virginia, Inc. ("BA-VA") and COMAV Telco, Inc. ("COMAV") filed for Commission approval, pursuant to §§ 251 and 252 of the Telecommunications Act of 1996 ("the Act"), 47 U.S.C. §§ 251 and 252, their interconnection agreement ("agreement") dated May 7, 1998.

The Commission has constitutional and statutory duties to regulate the operations of telecommunications public service companies to assure conformance to the public interest. See Va. Const. art. IX § 2 and § 56-35 of the Code of Virginia. This authority has been reaffirmed by the enactment of § 56-235.5.B and § 56-265.4:4.C.1. Whether the Commission is authorizing alternative forms of regulation or certificating competitive providers, it must assure the continuation of quality local exchange service and protect the public interest. Notwithstanding their negotiated agreement, BA-VA, COMAV, and all other providers of local exchange service must comply with all statutory standards and Commission rules and regulations.

Counsel for the Companies, in their application, noted that they had filed a copy of the application on the modified service list in this case as defined in the Commission's Procedural Rules for Implementing §§ 251 and 252 of the Telecommunications Act of 1996, as adopted in Case No. PUC960059, 20 VAC 5-400-190. Comments were to be filed on or before August 7, 1998, and none were received.

The Commission finds the agreement should be approved pursuant to § 252(e)(2)(A) of the Act. The agreement is directly binding only on BA-VA and COMAV and should not be viewed as precedent for any other agreements. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) Pursuant to the Commission's authority to regulate public service companies as authorized by the Virginia Constitution, art IX, § 2 and § 56-35 of the Code of Virginia, the interconnection agreement amendment submitted by BA-VA and COMAV is hereby approved as complying with § 252(e) of the Act.

(2) Pursuant to § 252(h) of the Act, a copy of this agreement shall be kept on file in the Commission's Division of Communications for inspection by the public.

(3) This matter is continued generally for the consideration of any subsequent revisions or amendments to the agreement.

CASE NO. PUC980110
SEPTEMBER 29, 1998

APPLICATION OF
GTE SOUTH INCORPORATED
and
360° COMMUNICATIONS COMPANY

For approval of interconnection agreement pursuant to § 252(e) of the Telecommunications Act of 1996

ORDER APPROVING AGREEMENT

On July 21, 1998, GTE South Incorporated ("GTE") and 360° Communications Company ("360°") filed a joint application requesting Commission approval, pursuant to §§ 251 and 252 of the Telecommunications Act of 1996 ("the Act"), 47 U.S.C. §§ 251 and 252, of their interconnection agreement("Agreement") dated June 8, 1998.

The Commission has constitutional and statutory duties to regulate the operations of telecommunications public service companies to assure conformance to the public interest. See Va. Const. Art. IX § 2 and § 56-35 of the Code of Virginia. This authority has been reaffirmed by the enactment of § 56-235.5.B and § 56-265.4:4.C.1. Whether the Commission is authorizing alternative forms of regulation or certificating competitive providers, it must assure the continuation of quality local exchange service and protect the public interest. Notwithstanding their negotiated Agreement, GTE and 360° and all other providers of local exchange service must comply with all statutory standards and Commission rules and regulations.

Counsel for GTE indicated that a copy of the Agreement was served on the modified service list in this case as defined in the Commission's Procedural Rules for Implementing §§ 251 and 252 of the Telecommunications Act of 1996, as adopted in Case No. PUC960059, 20 VAC 5-400-190. Comments were to be filed by August 10, 1998, and none were received.

The Commission finds that the Agreement should be approved pursuant to the standards of § 252(e)(2)(A) of the Act. It should not, however, be viewed as Commission precedent for other agreements. The Agreement is directly binding only on GTE and 360°. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) Pursuant to the Commission's authority to regulate public service companies as authorized by the Va. Const., Art. IX § 2 and § 56-35 of the Code of Virginia, the interconnection agreement submitted by GTE and 360° is hereby approved as complying with § 252(e) of the Act.

(2) Pursuant to § 252(h) of the Act, a copy of this Agreement shall be kept on file in the Commission's Division of Communications for inspection by the public.

(3) This case shall remain open to receive any subsequent amendments or revisions to the Agreement.

CASE NO. PUC980111
OCTOBER 22, 1998

APPLICATION OF
ALLEGIANCE TELECOM OF VIRGINIA, INC.

For certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services

FINAL ORDER

On July 31, 1998, Allegiance Telecom of Virginia, Inc. ("Allegiance" or "the Applicant") completed its filing of an application for certificates of public convenience and necessity ("certificate") with the State Corporation Commission ("Commission") to provide local exchange and interexchange telecommunications services throughout the Commonwealth of Virginia. The Applicant also requested authority to price its interexchange services on a competitive basis pursuant to § 56-481.1 of the Code of Virginia.

By Order dated August 14, 1998, and Amending Order dated August 19, 1998, the Commission directed the Applicant to provide notice to the public of its application, directed the Commission Staff to conduct an investigation and file a report, and scheduled a public hearing to receive evidence relevant to Allegiance's application. On September 24, 1998, the Staff filed its report finding that Allegiance's application was in compliance with the Commission's Rules for Local Exchange Telephone Competition, as adopted in Case No. PUC950018, and the Commission's Rules Governing the Certification of Interexchange Carriers, as amended in Case No. PUC850035. Based upon its review of Allegiance's application, the Staff recommended that the Commission grant a certificate of public convenience and necessity to provide interexchange telecommunications services to Allegiance as well as a certificate to provide local exchange telecommunications services.

A hearing was conducted on October 15, 1998. Allegiance filed its proof of publication and proof of service as required by the August 14, 1998 Order. At the hearing, the proof of notice, the application and accompanying attachments, and the Staff report were entered into the record without objection.

Having considered the application and the Staff report, the Commission finds that Allegiance's application should be granted. Having considered § 56-481.1 of the Code of Virginia, the Commission also finds that the Applicant may price its interexchange services competitively. Accordingly,

IT IS ORDERED THAT:

(1) Allegiance Telecom of Virginia, Inc. is hereby granted Certificate of Public Convenience and Necessity No. TT-57A, to provide interexchange services subject to the restrictions set forth in the Commission's Rules Governing the Certification of Interexchange Carriers, § 56-265.4:4 of the Code of Virginia, and the provisions of this Order.

(2) Allegiance Telecom of Virginia, Inc. is hereby granted Certificate of Public Convenience and Necessity No. T-418, to provide local exchange telecommunications services subject to the restrictions set forth in the Commission's Rules for Local Exchange Telephone Competition, § 56-265.4:4 of the Code of Virginia, and the provisions of this Order.

(3) Allegiance shall provide tariffs to the Division of Communications which conform with all applicable Commission rules and regulations.

(4) Pursuant to § 56-481.1 of the Code of Virginia, Allegiance may price its interexchange services competitively.

(5) There being nothing further to come before the Commission, this case shall be dismissed and the papers herein placed in the file for ended causes.

CASE NO. PUC980112
NOVEMBER 2, 1998

APPLICATION OF
PRIME TELECOM POTOMAC, LLC

For a certificate of public convenience and necessity to provide local exchange telecommunications services

FINAL ORDER

On July 31, 1998, Prime Telecom Potomac, LLC ("Prime" or "the Company") filed an application for a certificate of public convenience and necessity ("certificate") to provide local exchange telecommunications services throughout the Commonwealth of Virginia. As part of its application, Prime requested a waiver of § 2.E.1 of the Commission's Rules for Local Exchange Telephone Competition, as adopted in Case No. PUC950018 ("Local Rules") requiring audited financial statements to be filed with the application. By Order dated August 14, 1998, the Commission directed the Company to provide notice to the public of its application, directed the Commission Staff to conduct an investigation and file a report, and scheduled a public hearing to receive evidence relevant to such application. By Order dated August 19, 1998, the Commission amended the August 14, 1998 Order for Notice and Hearing and rescheduled the public hearing on Prime's application from October 14, 1998 to October 15, 1998.

On September 24, 1998, Staff filed its report finding that Prime's application was in compliance with the Commission's Local Rules, except that the financial statements submitted by Prime were unaudited. Based upon its review of Prime's application and the Company's requested waiver of Local Rule § 2.E.1, the Staff determined it would be appropriate to grant a local exchange certificate to Prime subject to two conditions: (1) any customer deposits collected by the Company be retained in an unaffiliated third-party escrow account for such time as the Staff or Commission determines is necessary; and (2) the Company shall provide audited financial statements for Prime or its parent, Prime Communications, LLC, to the Staff no later than one year from the effective date of its initial tariff.

A hearing was conducted on October 15, 1998. Prime filed proof of publication and proof of service as required by the August 14, 1998 Order. At the hearing, the application, the Company's exhibits and Staff's report were entered into the record without objection.

Having considered the application and the Staff's report, the Commission finds that such application should be granted. We also find the Company's request for a waiver of § 2.E.1 of the Local Rules, as it relates to filing audited financials with the application, should be granted. Although we will require the Company to retain any customer deposits in an unaffiliated third-party escrow account, this requirement should not be interpreted to prevent the Company's normal access to deposits from delinquent terminated accounts. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) Prime Telecom Potomac, LLC is hereby granted a certificate of public convenience and necessity, No. T-422 to provide local exchange telecommunications service subject to the restrictions set forth in the Commission's Rules for Local Exchange Telephone Competition, § 56-265.4:4 of the Code of Virginia, and the provisions of this Order.

(2) Prime shall provide tariffs to the Division of Communications which conform with all applicable Commission rules and regulations.

(3) Should Prime collect customer deposits, it shall establish and maintain an escrow account, held by an unaffiliated third party, for such funds and shall notify the Commission Staff of the escrow arrangement. Any escrow arrangement established pursuant to this Order shall be maintained for such time as the Staff or the Commission determines necessary.

(4) The Company shall provide audited financial statements for Prime or its parent, Prime Communications, LLC, to the Staff no later than one year from the effective date of its initial tariff.

(5) There being nothing further to come before the Commission, this case shall be dismissed and the papers placed in the file for ended causes.

CASE NO. PUC980113
NOVEMBER 6, 1998

APPLICATION OF
PREFERRED CARRIER SERVICES OF VIRGINIA, INC.

For a declaratory judgment concerning authority to provide local exchange telephone service

ORDER GRANTING WAIVERS

On September 3, 1998, the Commission entered its Order Inviting Comments directing Preferred Carrier Services of Virginia, Inc. ("PCSV") to publish notice concerning its Petition for a Declaratory Judgment with Request for Expedited Treatment of Petition and Grant of Authority to Provide Local Telephone Service Pending Final Disposition ("Petition"). The notice informed interested persons that comments or requests for hearing were due on or before October 9, 1998. The Commission has not received any requests for hearings, but did receive comments from the Virginia Poverty Law Center, Inc., AX Telecommunications, Inc., 1-800 Reconex, Inc. and additional comments of PCSV.

PCSV proposes to provide a prepaid, month-by-month local telephone service to customers which blocks access to toll, operator services (including collect and third party calls) and directory assistance in exchange for no credit check or deposit requirement.

The Commission is unconvinced by PCSV's argument that waivers are not necessary for it to provide its proposed service. PCSV claims that customers would choose to block access to such services and that such blocking is not prohibited by the Rules Governing the Offering of Competitive Local Exchange Telephone Service, 20 VAC 5-400-180 ("Rules"). In addition, PCSV further claims that certain call restriction services are competitive and not subject to tariff and pricing requirements.

The Commission finds the nature of PCSV's prepaid, month-by-month proposed service to be a local exchange telephone service, subject to the requirements of the Rules. Therefore, the Commission determines that waivers for certain provisions of the Rules are required before the service may be offered.

Specifically, § C of the Rules sets forth certain conditions which, at a minimum, a new entrant must provide to its local exchange customers. Included among those conditions is access to directory assistance (§ C.1.d); access to operator services (§ C.1.e); equal access to interLATA long distance carriers (§ C.1.f); and access to intraLATA service (§ C.5). The restricted prepaid local exchange service proposed by PCSV does not comply with these conditions.

In addition, the proposed PCSV service would not conform with the price-ceiling requirement set forth in § D.3 of the Rules. Section D.3.c establishes a price ceiling of the highest tariff rate as of January 1, 1996, for comparable services of any incumbent local exchange company serving within the certificated local service area of the new entrant. According to available marketing information, the cost of the proposed service will greatly exceed the price of the comparable local exchange service provided by incumbent local exchange companies in Virginia[1].

However, under § D.3.d, the Commission may permit rates of a new entrant's local exchange services(s) that do not conform with established price ceilings, unless there is a showing that the public interest will be harmed.

While the prepaid, month-by-month service PCSV proposes to offer does not fully conform with the Rules, the Commission does not conclude at this time that it will harm the public interest. It may enable certain individuals, who are not otherwise eligible for traditional telephone service, to acquire some form of local telephone service. We have therefore decided that with certain waivers and conditions set out below, PCSV may offer its service in Virginia.

A condition to be attached to the prepaid, month-by-month local exchange service is full disclosure to consumers about the services PCSV will and will not furnish. Sales brochures and other marketing and advertising materials must prominently disclose that customers will have no access to directory assistance, to operator services, to long distance service, to collect and third party calls, or to any other pay-for-usage services.

In accordance with § D.3.d, the Commission will allow PCSV to offer this service without the price ceilings established by § D.3.c. In addition, we waive the following § C conditions for certification: § C.1.d, access to directory assistance; § C.1.e, access to operator services; and § C.1.f, equal access to interLATA long distance carriers, as well as § C.5, access to intraLATA services. These waivers are limited solely to the prepaid, month-by-month local service described in PCSV's filing. To the extent PCSV offers any other local exchange services, those must be in full compliance with all the Rules unless additional waivers are granted.

The waivers granted for PCSV's prepaid, month-by-month service are subject to revocation, alteration, or the imposition of additional conditions such as pricing restrictions in the event the Commission subsequently determines the service is operating improperly or is not in the public interest. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) Subject to conditions set forth above, PCSV is granted waivers from requirements of §§ C.1.d, C.1.e, C.1.f, and C.5 in order to offer its prepaid, month-by-month local exchange service.

(2) PCSV shall provide disclosure to consumers as described above.

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[1] PCSV plans to provide the local service by selling 30-day cards through convenience stores such as 7-Elevens. An activation card is priced at $69.99 with subsequent monthly cards priced at $49.99.

(3) PCSV is permitted to price its prepaid, month-by-month local exchange service without conforming to price ceiling requirements of § D.3.c of the Commission Rules.

(4) PCSV must file tariffs for the prepaid, month-by-month service.

(5) Any other PCSV local exchange services must be tariffed and comply with all the Rules.

(6) This case shall remain open to evaluate PCSV's prepaid, month-by-month local exchange service.

CASE NO. PUC980115
NOVEMBER 3, 1998

APPLICATION OF
BELL ATLANTIC-VIRGINIA, INC.
and
ACC NATIONAL TELECOM CORPORATION

For approval of interconnection agreement under § 252(e) of the Telecommunications Act of 1996

ORDER APPROVING AGREEMENT

On August 6, 1998, Bell Atlantic-Virginia, Inc. ("BA-VA") and ACC National Telecom Corporation ("ANTC") filed for Commission approval, pursuant to §§ 251 and 252 of the Telecommunications Act of 1996 ("the Act"), 47 U.S.C. §§ 251 and 252, their interconnection agreement ("Agreement") dated June 8, 1998.

The Commission has constitutional and statutory duties to regulate the operations of telecommunications public service companies to assure conformance to the public interest. See Va. Const. art. IX § 2 and § 56-35 of the Code of Virginia. This authority has been reaffirmed by the enactment of § 56-235.5.B and § 56-265.4:4.C.1. Whether the Commission is authorizing alternative forms of regulation or certificating competitive providers, it must assure the continuation of quality local exchange service and protect the public interest. Notwithstanding their negotiated agreement, BA-VA, ANTC and all other providers of local exchange service must comply with all statutory standards and Commission rules and regulations.

Counsel for BA-VA indicated that a copy of the Agreement was served on the modified service list in this case as defined in the Commission's Procedural Rules for Implementing §§ 251 and 252 of the Telecommunications Act of 1996, as adopted in Case No. PUC960059, 20 VAC 5-400-190 ("procedural rules"). Comments were to be filed by August 27, 1998, and none were received.

The Commission finds that the Agreement should be approved pursuant to the standards of § 252(e)(2)(A) of the Act. This approval should not, however, be viewed as Commission precedent for other agreements. The Agreement is directly binding on only BA-VA and ANTC. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) Pursuant to the Commission's authority to regulate public service companies as authorized by the Virginia Constitution, art. IX § 2 and § 56-35 of the Code of Virginia, the interconnection agreement submitted by BA-VA and ANTC is hereby approved as complying with § 252(e) of the Act.

(2) Pursuant to § 252(h) of the Act, a copy of this Agreement shall be kept on file in the Commission's Division of Communications for inspection by the public.

(3) This case is continued generally for the consideration of any subsequent amendments or revisions to the Agreement.

CASE NO. PUC980116
DECEMBER 8, 1998

APPLICATION OF
BELL ATLANTIC-VIRGINIA, INC.

To implement Extended Local Service from the Salem exchange to New Castle Telephone Company's New Castle exchange

FINAL ORDER

On August 7, 1998, Bell Atlantic-Virginia, Inc., ("BA-VA" or "the Company") filed an application with the State Corporation Commission ("Commission") pursuant to the provisions of § 56-484.2 of the Code of Virginia, proposing to notify its customers in the Salem exchange of the increases in monthly rates that would be necessary to expand their local service to include New Castle Telephone Company's ("NCTC") New Castle exchange. Customers in the New Castle exchange had previously petitioned the Commission for local calling to Salem. A poll of Salem subscribers was not required under § 56-484.2A of the Code of Virginia because the proposed rate increase for one-party residential customers did not exceed five percent of the existing one-party residential monthly rate.

By order dated September 10, 1998, the Commission directed BA-VA to publish notice of the proposed increase. Affected telephone customers were given until November 9, 1998, to file comments or to request a hearing on the proposal. The Commission received no comments or requests for hearing.

On October 27, 1998, BA-VA filed proof of notice as required by the Commission's Order of September 10, 1998.

On November 24, 1998, the Commission Staff submitted its report regarding the Company's application. The Staff recommended that BA-VA's application to implement extended local service from the Salem exchange to NCTC's New Castle exchange be approved. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) The proposed extension of local service from BA-VA's Salem exchange to NCTC's New Castle exchange shall be implemented.

(2) BA-VA shall file the tariff revisions necessary for the proposed extension of local service.

(3) This matter shall be dismissed and the papers shall be placed in the Commission's file for ended causes.

CASE NO. PUC980117
DECEMBER 8, 1998

APPLICATION OF
BELL ATLANTIC-VIRGINIA, INC.

To implement Extended Local Service from the Roanoke exchange to New Castle Telephone Company's New Castle exchange

FINAL ORDER

On August 7, 1998, Bell Atlantic-Virginia, Inc., ("BA-VA" or "the Company") filed an application with the State Corporation Commission ("Commission") pursuant to the provisions of § 56-484.2 of the Code of Virginia, proposing to notify its customers in the Roanoke exchange of the increases in monthly rates that would be necessary to expand their local service to include New Castle Telephone Company's ("NCTC") New Castle exchange. Customers in the New Castle exchange had previously petitioned the Commission for local calling to Roanoke. A poll of Roanoke subscribers was not required under § 56-484.2A of the Code of Virginia because the proposed rate increase for one-party residential customers did not exceed five percent of the existing one-party residential monthly rate.

By order dated September 10, 1998, the Commission directed BA-VA to publish notice of the proposed increase. Affected telephone customers were given until November 9, 1998, to file comments or to request a hearing on the proposal. The Commission received no comments or requests for hearing.

On October 27, 1998, BA-VA filed proof of notice as required by the Commission's Order of September 10, 1998.

On November 24, 1998, the Commission Staff submitted its report regarding the Company's application. The Staff recommended that BA-VA's application to implement extended local service from its Roanoke exchange to NCTC's New Castle exchange be approved. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) The proposed extension of local service from BA-VA's Roanoke exchange to NCTC's New Castle exchange shall be implemented.

(2) BA-VA shall file the tariff revisions necessary for the proposed extension of local service.

(3) This matter shall be dismissed and the papers shall be placed in the Commission's file for ended causes.

CASE NO. PUC980119
NOVEMBER 3, 1998

APPLICATION OF
BELL ATLANTIC-VIRGINIA, INC.
and
TIDALWAVE TELEPHONE, INC.

For approval of an interconnection Agreement under § 252(e) of the Telecommunications Act of 1996

ORDER APPROVING AGREEMENT

On August 12, 1998, Bell Atlantic-Virginia, Inc. ("BA-VA") and Tidalwave Telephone, Inc. ("Tidalwave") filed for Commission approval of their interconnection agreement ("Agreement") pursuant to §§ 251 and 252 of the Telecommunications Act of 1996 ("the Act"), 47 U.S.C. §§ 251 and 252, dated June 24, 1998.

The Commission has constitutional and statutory duties to regulate the operations of telecommunications public service companies to assure conformance to the public interest. See Va. Const. art. IX § 2 and § 56-35 of the Code of Virginia. This authority has been reaffirmed by the enactment of § 56-235.5.B and § 56-265.4:4.C.1. Whether the Commission is authorizing alternative forms of regulation or certificating competitive providers, it must

assure the continuation of quality local exchange service and protect the public interest. Notwithstanding their negotiated Agreement, BA-VA, Tidalwave, and all other providers of local exchange service must comply with all statutory standards and Commission rules and regulations.

Counsel for BA-VA indicated that a copy of the Agreement was served on the modified service list in this case as defined in the Commission's Procedural Rules for Implementing §§ 251 and 252 of the Act, as adopted in Case No. PUC960059, 20 VAC 5-400-190. Comments were to be filed on or before September 2, 1998, and none were received.

The Commission finds that the Agreement should be approved pursuant to the standards of § 252(e)(2)(A) of the Act. This approval should not, however, be viewed as Commission precedent for other agreements. The Agreement is directly binding only on BA-VA and Tidalwave. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) Pursuant to the Commission's authority to regulate public service companies as authorized by the Virginia Constitution article IX § 2 and § 56-35 of the Code of Virginia, the interconnection agreement submitted by BA-VA and Tidalwave is hereby approved as complying with § 252(e) of the Act.

(2) Pursuant to § 252(h) of the Act, a copy of this Agreement shall be kept on file in the Commission's Division of Communications for inspection by the public.

(3) This case shall remain open to receive any subsequent amendments or revisions to the Agreement.

CASE NO. PUC980120
NOVEMBER 5, 1998

APPLICATION OF
BELL ATLANTIC-VIRGINIA, INC.
and
GTE COMMUNICATIONS CORPORATION OF VIRGINIA

For approval of an interconnection agreement under § 252(e) of the Telecommunications Act of 1996

ORDER APPROVING AGREEMENT

On August 13, 1998, Bell Atlantic-Virginia, Inc. ("BA-VA") and GTE Communications Corporation of Virginia ("GTECC") filed for Commission approval, pursuant to §§ 251 and 252 of the Telecommunications Act of 1996 ("the Act"), 47 U.S.C. §§ 251 and 252, their interconnection agreement dated and effective June 5, 1998.

The Commission has constitutional and statutory duties to regulate the operations of telecommunications public service companies to assure conformance to the public interest. See Va. Const. art. IX, § 2 and § 56-35 of the Code of Virginia. This authority has been reaffirmed by the enactment of § 56-235.5.B and § 45-265.4:4.C.1. Whether the Commission is authorizing alternative forms of regulation or certificating competitive providers, it must assure the continuation of quality local exchange service and protect the public interest. Notwithstanding their negotiated agreement, BA-VA, GTECC, and all other providers of local exchange service must comply with all statutory standards and Commission rules and regulations.

Counsel for the Companies, in their application, noted that they had filed a copy of the application on the modified service list in this case as defined in the Commission's Procedural Rules for Implementing §§ 251 and 252 of the Telecommunications Act of 1996, as adopted in Case no. PUC960059, 20 VAC 5-400-190. Comments were to be filed on or before September 3, 1998, and none were received.

On May 27, 1998, GTECC filed an application with the Commission for a certificate of public convenience and necessity to provide local exchange service in Virginia. However, subsequently GTE filed to withdraw its application and that case was dismissed October 9, 1998. Nonetheless, the Commission finds that the Agreement should be approved pursuant to the provisions of § 252(e)(2)(A) of the Act. This approval should not, however, be viewed as Commission precedent for other agreements. The Agreement is directly binding only upon BA-VA and GTECC. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) Pursuant to the Commission's authority to regulate public service companies as authorized by the Virginia Constitution, art. IX, § 2 and § 56-35 of the Code of Virginia, the interconnection agreement submitted by BA-VA and GTECC is hereby approved as complying with § 252(e) of the Act.

(2) Pursuant to § 252(h) of the Act, a copy of this agreement shall be kept on file in the Commission's Division of Communications for inspection by the public.

(3) This matter is continued generally for the consideration of any subsequent revisions or amendments to the Agreement.

CASE NO. PUC980123
NOVEMBER 5, 1998

APPLICATION OF
BELL ATLANTIC-VIRGINIA, INC.
and
EAST COAST COMMUNICATIONS, INC.

For approval of an Interconnection Agreement under §.252(e) of the Telecommunications Act of 1996

ORDER APPROVING AGREEMENT

On August 21, 1998, and as amended on September 18, 1998, Bell Atlantic-Virginia, Inc. ("BA-VA") and East Coast Communications, Inc. ("East Coast") filed for Commission approval of their interconnection agreement ("Agreement"), pursuant to §§ 251 and 252 of the Telecommunications Act of 1996 ("the Act"), 47 U.S.C. §§ 251 and 252. The Agreement was described as a resale agreement effective as of July 17, 1998.

The Commission has constitutional and statutory duties to regulate the operations of telecommunications public service companies to assure conformance to the public interest. See Va. Const. art. IX, § 2 and § 56-35 of the Code of Virginia. This authority has been reaffirmed by the enactment of § 56-235.5.B and § 56-265.4:4.C.1. Whether the Commission is authorizing alternative forms of regulation or certificating competitive providers, it must assure the continuation of quality local exchange services and protect the public interest.

Notwithstanding this negotiated agreement, BA-VA, East Coast, and all other providers of local exchange service must comply with all statutory standards and Commission rules and regulations.

Counsel for BA-VA indicated that a copy of the Agreement was served on the modified service list as defined in the Commission's Procedural Rules for Implementing §§ 251 and 252 of the Telecommunications Act of 1996, adopted in Case No. PUC960059, 20 VAC 5-400-190. Comments were to be filed by October 9, 1998, and none were received.

The Commission is concerned about one provision of the Agreement. Section 30.2, under the heading of "Responsibility For Charges," appears to obligate East Coast to pay BA-VA for certain services provided by parties other than BA-VA regardless of whether East Coast is paid for those charges by its customers. This agreement does not affect the rights of end users to dispute such charges and does not excuse either BA-VA or East Coast from complying with the Commission's billing and collection rules.

Notwithstanding this concern, the Commission finds that the Agreement should be approved pursuant to the standards of § 252(e)(2)(A) of the Act. This approval should not, however, be viewed as Commission precedent for other agreements. The Agreement is directly binding on only BA-VA and East Coast. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) Pursuant to the Commission's authority to regulate public service companies as authorized by the Virginia Constitution, art. IX, § 2 and § 56-35 of the Code of Virginia, the Agreement submitted by Bell Atlantic and East Coast is hereby approved as complying with § 252(e) of the Act.

(2) Pursuant to § 252(h) of the Act, a copy of this Agreement shall be kept on file in the Commission's Division of Communications for inspection by the public.

(3) This matter is continued generally for the consideration of any subsequent amendments or revisions to the Agreement.

CASE NO. PUC980124
NOVEMBER 6, 1998

APPLICATION OF
CENTRAL TELEPHONE COMPANY OF VIRGINIA
and
VIRGINIA PCS ALLIANCE, L.C.
and
VIRGINIA RSA 6 CELLULAR LIMITED PARTNERSHIP

For approval of interconnection agreement pursuant to § 252(e) of the Telecommunications Act of 1996

ORDER APPROVING AGREEMENT

On August 21, 1998, Central Telephone Company of Virginia ("Centel")and Virginia PCS Alliance, L.C. and Virginia RSA 6 Cellular Limited Partnership (collectively, "Virginia PCS") filed for Commission approval, pursuant to §§ 251 and 252 of the Telecommunications Act of 1996 ("the Act"), 47 U.S.C. §§ 251 and 252, their interconnection agreement ("Agreement") dated July 17, 1998.

The Commission has constitutional and statutory duties to regulate the operations of telecommunications public service companies to assure conformance to the public interest. See Va. Const. art. IX, § 2 and § 56-35 of the Code of Virginia. This authority has been reaffirmed by the enactment of § 56-235.5.B and § 56-265.4:4.C.1. Whether the Commission is authorizing alternative forms of regulation or certificating competitive providers, it must assure the continuation of quality local exchange service and protect the public interest. Notwithstanding their negotiated Agreement, Centel and Virginia PCS and all other providers of local exchange service must comply with all statutory standards and Commission rules and regulations.

Counsel for Centel indicated that a copy of the Agreement was served on the modified service list in this case as defined in the Commission's Procedural Rules for Implementing §§ 251 and 252 of the Telecommunications Act of 1996, as adopted in Case No. PUC960059, 20 VAC 5-400-190. Comments were to be filed by September 11, 1998, and none were received.

The Commission finds that the Agreement should be approved pursuant to the standards of § 252(e)(2)(A) of the Act. It should not, however, be viewed as Commission precedent for other agreements. The Agreement is directly binding only on Centel and Virginia PCS. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) Pursuant to the Commission's authority to regulate public service companies as authorized by the Virginia Constitution, art. IX, § 2 and § 56-35 of the Code of Virginia, the interconnection agreement submitted by Centel and Virginia PCS is hereby approved as complying with § 252(e) of the Act.

(2) Pursuant to § 252(h) of the Act, a copy of this Agreement shall be kept on file in the Commission's Division of Communications for inspection by the public.

(3) This case shall remain open to receive any subsequent amendments or revisions to the Agreement.

CASE NO. PUC980126
NOVEMBER 6, 1998

APPLICATION OF
BELL ATLANTIC-VIRGINIA, INC.
and
TELEPHONE COMPANY OF CENTRAL FLORIDA, INC.

For approval of interconnection agreement under § 252(e) of the Telecommunications Act of 1996

ORDER APPROVING AGREEMENT

On August 26, 1998, Bell Atlantic-Virginia, Inc. ("BA-VA") and Telephone Company of Central Florida, Inc. ("TCCF") filed an interconnection agreement ("Agreement") for Commission approval, pursuant to §§ 251 and 252 of the Telecommunications Act of 1996 ("the Act"), 47 U.S.C. §§ 251 and 252. This Agreement was described as a resale agreement.

The Commission has constitutional and statutory duties to regulate the operations of telecommunications public service companies to assure conformance to the public interest. See Va. Const. art. IX, § 2 and § 56-35 of the Code of Virginia. This authority has been reaffirmed by the enactment of § 56-235.5.B and § 56-265.4:4.C.1. Whether the Commission is authorizing alternative forms of regulation or certificating competitive providers, it must assure the continuation of quality local exchange service and protect the public interest. Notwithstanding their negotiated agreement, BA-VA, TCCF and all other providers of local exchange service must comply with all statutory standards and Commission rules and regulations.

Counsel for BA-VA indicated that a copy of the Agreement was served on the modified service list in this case as defined in the Commission's Procedural Rules for Implementing §§ 251 and 252 of the Telecommunications Act of 1996, as adopted in Case No. PUC960059, 20 VAC 5-400-190. Comments were to be filed by September 16, 1998, and none were received.

We have one area of concern with the Agreement. Section 30.2 under the heading of "Responsibility for Charges" appears to obligate TCCF to pay for services provided by parties other than BA-VA regardless of whether TCCF is paid for those charges by its customers. This agreement between TCCF and BA-VA does not affect the rights of end users to dispute such charges and does not excuse either company from complying with the Commission's billing and collection rules. Notwithstanding this concern, we find that the Agreement should be approved pursuant to the standards of § 252(e)(2)(A) of the Act. It should not, however, be viewed as Commission precedent for other agreements. The Agreement is directly binding on only BA-VA and TCCF. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) Pursuant to the Commission's authority to regulate public service companies as authorized by the Virginia Constitution, art. IX, § 2 and § 56-35 of the Code of Virginia, the interconnection agreement submitted by BA-VA and TCCF is hereby approved as complying with § 252(e) of the Act.

(2) Pursuant to § 252(h) of the Act, a copy of this Agreement shall be kept on file in the Commission's Division of Communications for inspection by the public.

(3) This case is continued generally for the consideration of any subsequent amendments or revisions to the Agreement.

CASE NO. PUC980130
DECEMBER 1, 1998

APPLICATION OF
GTE SOUTH INCORPORATED
and
AIR TOUCH PAGING OF VIRGINIA, INC.

For approval of an interconnection agreement under § 252(e) of the Telecommunications Act of 1996

ORDER APPROVING AGREEMENT

On September 2, 1998, GTE South Incorporated ("GTE") and Air Touch Paging of Virginia, Inc. ("Air Touch") filed an interconnection agreement ("Agreement") for Commission approval pursuant to §§ 251 and 252 of the Telecommunications Act of 1996 ("the Act"), 47 U.S.C. §§ 251 and 252.

The Commission has constitutional and statutory duties to regulate the operations of telecommunications public service companies to assure conformance to the public interest. See Va. Const. art. IX, § 2 and § 56-35 of the Code of Virginia. This authority has been reaffirmed by the enactment of § 56-235.5.B and § 56-265.4:4.C.1. Whether the Commission is authorizing alternative forms of regulation or certificating competitive providers, it must assure the continuation of quality local exchange service and protect the public interest. Notwithstanding their negotiated agreement, GTE, Air Touch, and all other providers of local exchange service must comply with all statutory standards and Commission rules and regulations.

Counsel for GTE indicated that a copy of the Application was served on the modified service list in this case as defined in the Commission's Procedural Rules for Implementing §§ 251 and 252 of the Act, as adopted in Case No. PUC960059, 20 VAC 5-400-190. Comments were to be filed on or before September 23, 1998, and none were received.

The Commission finds that the Agreement should be approved pursuant to the standards set forth in § 252(e)(2)(A) of the Act. It should not, however, be viewed as Commission precedent for other agreements. The Agreement is directly binding only on GTE and Air Touch. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) Pursuant to the Commission's authority to regulate public service companies as authorized by the Virginia Constitution, art. IX, § 2 and § 56-35 of the Code of Virginia, the interconnection agreement submitted by GTE and Air Touch hereby is approved as complying with § 252(e) of the Act.

(2) Pursuant to § 252(h) of the Act, a copy of this Agreement shall be kept on file in the Commission's Division of Communications for inspection by the public.

(3) This matter is continued generally for the consideration of any subsequent revisions or amendments to the Agreement.

CASE NO. PUC980131
NOVEMBER 6, 1998

APPLICATION OF
GTE SOUTH INCORPORATED
and
CFW WIRELESS, INC.
VIRGINIA PCS ALLIANCE, L.C.
WEST VIRGINIA PCS ALLIANCE, L.C.

For approval of an interconnection agreement under § 252(e) of the Telecommunications Act of 1996

ORDER APPROVING AGREEMENT

On September 2, 1998, GTE South Incorporated ("GTE") and CFW Wireless, Inc., Virginia PCS Alliance, L.C., and West Virginia PCS Alliance, L.C. (collectively, "CFW") filed an interconnection agreement ("Agreement") for Commission approval pursuant to §§ 251 and 252 of the Telecommunications Act of 1996 ("the Act"), 47 U.S.C. §§ 251 and 252.

The Commission has constitutional and statutory duties to regulate the operations of telecommunications public service companies to assure conformance to the public interest. See Va. Const. art. IX, § 2 and § 56-35 of the Code of Virginia. This authority has been reaffirmed by the enactment of § 56-235.5.B and § 56-265.4:4.C.1. Whether the Commission is authorizing alternative forms of regulation or certificating competitive providers, it must assure the continuation of quality local exchange service and protect the public interest. Notwithstanding their negotiated agreement, GTE, CFW, and all other providers of local exchange service must comply with all statutory standards and Commission rules and regulations.

Counsel for GTE indicated that a copy of the Agreement was served on the modified service list in this case as defined in the Commission's Procedural Rules for Implementing §§ 251 and 252 of the Act, as adopted in Case No. PUC960059, 20 VAC 5-400-190. Comments were to be filed on or before September 23, 1998, and none were received.

The Commission finds that the Agreement should be approved pursuant to the standards set forth in § 252(e)(2)(A) of the Act. It should not, however, be viewed as Commission precedent for other agreements. The Agreement is directly binding only on GTE and CFW. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) Pursuant to the Commission's authority to regulate public service companies as authorized by the Virginia Constitution, art. IX, § 2 and § 56-35 of the Code of Virginia, the interconnection agreement submitted by GTE and CFW hereby is approved as complying with § 252(e) of the Act.

(2) Pursuant to § 252(h) of the Act, a copy of this Agreement shall be kept on file in the Commission's Division of Communications for inspection by the public.

(3) This matter is continued generally for the consideration of any subsequent revisions or amendments to the Agreement.

CASE NO. PUC980132
DECEMBER 1, 1998

APPLICATION OF
UNITED TELEPHONE-SOUTHEAST, INC.

For approval of an interconnection agreement with Preferred Carrier Services, Inc. under § 252(e) of the Telecommunications Act of 1996

ORDER APPROVING AGREEMENT

On September 2, 1998, United Telephone-Southeast, Inc. ("United") filed an interconnection agreement ("Agreement") with Preferred Carrier Services, Inc. ("PCS") for Commission approval pursuant to §§ 251 and 252 of the Telecommunications Act of 1996 ("the Act"), 47 U.S.C. §§ 251 and 252.

The Commission has constitutional and statutory duties to regulate the operations of telecommunications public service companies to assure conformance to the public interest. See Va. Const. art. IX, § 2 and § 56-35 of the Code of Virginia. This authority has been reaffirmed by the enactment of § 56-235.5.B and § 56-265.4:4.C.1. Whether the Commission is authorizing alternative forms of regulation or certificating competitive providers, it must assure the continuation of quality local exchange service and protect the public interest. Notwithstanding their negotiated agreement, United, PCS, and all other providers of local exchange service must comply with all statutory standards and Commission rules and regulations.

Counsel for United indicated that a copy of the Application was served on the modified service list in this case as defined in the Commission's Procedural Rules for Implementing §§ 251 and 252 of the Act, as adopted in Case No. PUC960059, 20 VAC 5-400-190. Comments were to be filed on or before September 23, 1998, and none were received.

The Commission finds that the Agreement should be approved pursuant to the standards set forth in § 252(e)(2)(A) of the Act. It should not, however, be viewed as Commission precedent for other agreements. The Agreement is directly binding only on United and PCS. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) Pursuant to the Commission's authority to regulate public service companies as authorized by the Virginia Constitution, art. IX, § 2 and § 56-35 of the Code of Virginia, the interconnection agreement submitted by United and PCS hereby is approved as complying with § 252(e) of the Act.

(2) Pursuant to § 252(h) of the Act, a copy of this Agreement shall be kept on file in the Commission's Division of Communications for inspection by the public.

(3) This matter is continued generally for the consideration of any subsequent revisions or amendments to the Agreement.

CASE NO. PUC980133
DECEMBER 1, 1998

APPLICATION OF
CENTRAL TELEPHONE COMPANY OF VIRGINIA

For approval of an interconnection agreement with Preferred Carrier Services, Inc. under § 252(e) of the Telecommunications Act of 1996

ORDER APPROVING AGREEMENT

On September 2, 1998, Central Telephone Company of Virginia ("Central") filed an interconnection agreement ("Agreement") with Preferred Carrier Services, Inc. ("PCS") for Commission approval pursuant to §§ 251 and 252 of the Telecommunications Act of 1996 ("the Act"), 47 U.S.C. §§ 251 and 252.

The Commission has constitutional and statutory duties to regulate the operations of telecommunications public service companies to assure conformance to the public interest. See Va. Const. art. IX, § 2 and § 56-35 of the Code of Virginia. This authority has been reaffirmed by the enactment of § 56-235.5.B and § 56-265.4:4.C.1. Whether the Commission is authorizing alternative forms of regulation or certificating competitive providers, it must assure the continuation of quality local exchange service and protect the public interest. Notwithstanding their negotiated agreement, Central, PCS, and all other providers of local exchange service must comply with all statutory standards and Commission rules and regulations.

Counsel for Central indicated that a copy of the Application was served on the modified service list in this case as defined in the Commission's Procedural Rules for Implementing §§ 251 and 252 of the Act, as adopted in Case No. PUC960059, 20 VAC 5-400-190. Comments were to be filed on or before September 23, 1998, and none were received.

The Commission finds that the Agreement should be approved pursuant to the standards set forth in § 252(e)(2)(A) of the Act. It should not, however, be viewed as Commission precedent for other agreements. The Agreement is directly binding only on Central and PCS. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) Pursuant to the Commission's authority to regulate public service companies as authorized by the Virginia Constitution, art. IX, § 2 and § 56-35 of the Code of Virginia, the interconnection agreement submitted by Central and PCS hereby is approved as complying with § 252(e) of the Act.

(2) Pursuant to § 252(h) of the Act, a copy of this Agreement shall be kept on file in the Commission's Division of Communications for inspection by the public.

(3) This matter is continued generally for the consideration of any subsequent revisions or amendments to the Agreement.

CASE NO. PUC980134
DECEMBER 2, 1998

APPLICATION OF
ACCESS POINT OF VIRGINIA, INC.

For a certificate of public convenience and necessity to provide local exchange telecommunications services

FINAL ORDER

On September 2, 1998, Access Point of Virginia, Inc. ("Access Point" or "the Company") filed a completed application for certificate of public convenience and necessity ("certificate") to provide local exchange telecommunications services throughout the Commonwealth of Virginia.[1] By Order dated September 29, 1998, the Commission directed the Company to provide notice to the public of its application, directed the Commission Staff to conduct an investigation and file a report, and scheduled a public hearing to receive evidence relevant to Access Point's application. On November 6, 1998, Staff filed its report finding that Access Point's application was in compliance with the Commission's Local Rules.

A hearing was conducted on November 24, 1998. Access Point filed proof of publication and proof of service as required by the scheduling order dated September 29, 1998. At the hearing, the proof of notice, application and accompanying attachments, and the Staff's report were entered into the record without objection.

Having considered the application and the Staff's report, the Commission finds that Access Point's application should be granted. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) Access Point of Virginia, Inc. hereby is granted a certificate of public convenience and necessity, No. T-424 to provide local exchange telecommunications services subject to the restrictions set forth in the Commission's Rules for Local Exchange Telephone Competition, § 56-265.4:4 of the Code of Virginia, and the provisions of this Order.

(2) Access Point shall provide tariffs to the Division of Communications which conform with all applicable Commission rules and regulations.

(3) There being nothing further to come before the Commission, this case shall be dismissed and the papers herein placed in the file for ended causes.

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[1] In its original application, Access Point requested a certificate to serve within the Commonwealth of Virginia in all exchanges in which Bell Atlantic-Virginia, Inc. and GTE South, Incorporated provide local exchange service. On October 6, 1998, the Company filed an amendment to its application to reflect that the Company seeks authority to provide local exchange telecommunications services throughout the Commonwealth of Virginia.

CASE NO. PUC980135
DECEMBER 2, 1998

APPLICATION OF
GTE SOUTH INCORPORATED
and
TIDALWAVE TELEPHONE

For approval of interconnection agreement under § 252(e) of the Telecommunications Act of 1996

ORDER APPROVING AGREEMENT

On September 4, 1998, GTE South Incorporated ("GTE") and Tidalwave Telephone ("Tidalwave") filed an interconnection agreement ("Agreement") for Commission approval, pursuant to §§ 251 and 252 of the Telecommunications Act of 1996 ("the Act"), 47 U.S.C. §§ 251 and 252.

This Agreement establishes the terms, conditions and prices for the mutual exchange and termination of traffic originating on each party's network and the purchase by Tidalwave of unbundled network elements and certain resale services from GTE. However, this Agreement provides for two sets of prices. The first set of prices is the GTE Terms, shown in Appendix K, and the second set is the Cox Terms, shown in Appendix L. Section 46 of Article III of the Agreement provides that if the Cox Terms are deemed to be unlawful, or are stayed, enjoined or otherwise modified, in whole or part by a court or commission of competent jurisdiction, then the Agreement shall be deemed to have been amended to modify the Cox Terms or substitute the GTE Terms, retroactive to the effective date of the Agreement.

The Commission has constitutional and statutory duties to regulate the operations of telecommunications public service companies to assure conformance to the public interest. See Va. Const. art. IX, sec. 2 and § 56-35 of the Code of Virginia. This authority has been reaffirmed by the enactment of § 56-235.2.B and § 56-265.4:4.C.1. Whether the Commission is authorizing alternative forms of regulation or certificating competitive providers, it must assure the continuation of quality local exchange service and protect the public interest. Notwithstanding their negotiated agreement, GTE, Tidalwave and all other providers of local exchange service must comply with all statutory standards and Commission rules and regulations.

Counsel for GTE indicated that a copy of the Application was served on the modified service list in this case as defined in the Commission's Procedural Rules for Implementing §§ 251 and 252 of the Telecommunications Act of 1996, as adopted in Case No. PUC960059, 20 VAC 5-400-190, ("procedural rules"). Comments were to be filed on or before September 25, 1998, and none were received.

As required by § A(2) of the procedural rules, we have reviewed the negotiated portions of the Agreement pursuant to § 252(e)(2)(A) of the Act. Under these criteria, we find no reason to reject this Agreement. However, there is at least one portion of the Agreement that requires our attention.

In Article III, Section 46, "Amendment of Certain Rates, Terms and Conditions", the following language appears:

> The rates, terms and conditions (including rates which may be applicable under true-up) specified in both the "GTE Terms" and the "Cox Terms" are further subject to amendment, retroactive to the Effective Date of the Agreement, to provide for charges or rate adjustments resulting from future Commission or other proceedings, including but not limited to any generic proceeding to determine GTE's unrecovered costs (e.g., historic costs, contribution, undepreciated reserve deficiency, or similar unrecovered GTE costs (including GTE's end user surcharge)), the establishment of a competitively neutral universal service system, or any appeal or other litigation.

The Commission is concerned the language here not be interpreted to define or mandate the parameters for any future Commission proceeding. If and when the Commission conducts any further proceeding(s) to determine prices applicable to interconnection for GTE, it will do as it is required and in accordance with the pricing standards established in § 252(d) of the Act. The parties are free to negotiate activities that they themselves will conduct, but the parties cannot agree to bind or direct future Commission actions. To the extent that there are other sections of the Agreement that attempt to bind the Commission's future actions, they shall not be enforceable.

Despite the above comments, we find that the Agreement should be approved. The Agreement is binding only on GTE and Tidalwave and should not be viewed as precedent for other agreements. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) Pursuant to the Commission's authority to regulate public service companies as authorized by the Virginia Constitution art. IX, § 2 and § 56-35 of the Code of Virginia, the interconnection agreement submitted by GTE and Tidalwave is hereby approved as complying with § 252(e) of the Act.

(2) Pursuant to § 252(h) of the Act, a copy of this Agreement shall be kept on file in the Commission's Division of Communications for inspection by the public.

(3) This matter is continued generally for the consideration of any subsequent revisions or amendments to the Agreement.

CASE NO. PUC980137
DECEMBER 8, 1998

APPLICATION OF
BELL ATLANTIC-VIRGINIA, INC.
and
PREFERRED CARRIER SERVICES OF VIRGINIA, INC.

For approval of an interconnection agreement under § 252(e) of the Telecommunications Act of 1996

ORDER APPROVING AGREEMENT

On September 10, 1998, Bell Atlantic-Virginia, Inc. ("BA-VA") and Preferred Carrier Services of Virginia, Inc. ("PCS-V") filed an interconnection agreement ("Agreement") for Commission approval pursuant to §§ 251 and 252 of the Telecommunications Act of 1996 ("the Act"), 47 U.S.C. §§ 251 and 252. This Agreement was described as a resale agreement.

The Commission has constitutional and statutory duties to regulate the operations of telecommunications public service companies to assure conformance to the public interest. See Va. Const. art. IX, § 2 and § 56-35 of the Code of Virginia. This authority has been reaffirmed by the enactment of § 56-235.5.B and § 56-265.4:4.C.1. Whether the Commission is authorizing alternative forms of regulation or certificating competitive providers, it must assure the continuation of quality local exchange service and protect the public interest. Notwithstanding their negotiated agreement, BA-VA, PCS-V, and all other providers of local exchange services must comply with all statutory standards and Commission rules and regulations.

Counsel for BA-VA indicated that a copy of the Application was served on the modified service list in this case as defined in the Commission's Procedural Rules for Implementing §§ 251 and 252 of the Act, as adopted in Case No. PUC960059, 20 VAC 5-400-190. Comments were to be filed on or before October 1, 1998, and none were received.

We have one area of concern with the Agreement. Section 30, under the heading "Responsibility for Charges," appears to obligate PCS-V to pay for services provided by parties other than BA-VA regardless of whether PCS-V is paid for those services by its customers. This Agreement by BA-VA and PCS-V does not affect the rights of end users to dispute such charges and does not excuse either company from complying with the Commission's billing and collection rules.

The Commission finds that the Agreement should be approved pursuant to the standards set forth in § 252(e)(2)(A) of the Act. It should not, however, be viewed as Commission precedent for other agreements. The Agreement is directly binding only on BA-VA and PCS-V. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) Pursuant to the Commission's authority to regulate public service companies as authorized by the Virginia Constitution, art. IX, § 2 and § 56-35 of the Code of Virginia, the interconnection agreement submitted by BA-VA and PCS-V hereby is approved as complying with § 252(e) of the Act.

(2) Pursuant to § 252(h) of the Act, a copy of this Agreement shall be kept on file in the Commission's Division of Communications for inspection by the public.

(3) This matter is continued generally for the consideration of any subsequent revisions or amendments to the Agreement.

CASE NO. PUC980138
NOVEMBER 24, 1998

APPLICATION OF
CENTRAL TELEPHONE COMPANY OF VIRGINIA
and
EZ TALK COMMUNICATIONS, L.L.C.

For approval of an interconnection agreement under § 252(e) of the Telecommunications Act of 1996

ORDER APPROVING AGREEMENT

On September 11, 1998, Central Telephone Company of Virginia ("Centel") and EZ Talk Communications, L.L.C. ("EZ Talk") filed an interconnection agreement ("Agreement") for Commission approval pursuant to §§ 251 and 252 of the Telecommunications Act of 1996 ("the Act"), 47 U.S.C. §§ 251 and 252.

The Commission has constitutional and statutory duties to regulate the operations of telecommunications public service companies to assure conformance to the public interest. See Va. Const. art. IX, § 2 and § 56-35 of the Code of Virginia. This authority has been reaffirmed by the enactment of § 56-235.5.B and § 56-265.4:4.C.1. Whether the Commission is authorizing alternative forms of regulation or certificating competitive providers, it must assure the continuation of quality local exchange service and protect the public interest. Notwithstanding their negotiated agreement, Centel, EZ Talk, and all other providers of local exchange service must comply with all statutory standards and Commission rules and regulations.

Counsel for Centel indicated that a copy of the Application was served on the modified service list in this case as defined in the Commission's Procedural Rules for Implementing §§ 251 and 252 of the Act, as adopted in Case No. PUC960059, 20 VAC 5-400-190. Comments were to be filed on or before October 2, 1998, and none were received.

The Commission finds that the Agreement should be approved pursuant to the standards set forth in § 252(e)(2)(A) of the Act. It should not, however, be viewed as Commission precedent for other agreements. The Agreement is directly binding only on Centel and EZ Talk. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) Pursuant to the Commission's authority to regulate public service companies as authorized by the Virginia Constitution, art. IX, § 2 and § 56-35 of the Code of Virginia, the interconnection agreement submitted by Centel and EZ Talk hereby is approved as complying with § 252(e) of the Act.

(2) Pursuant to § 252(h) of the Act, a copy of this Agreement shall be kept on file in the Commission's Division of Communications for inspection by the public.

(3) This matter is continued generally for the consideration of any subsequent revisions or amendments to the Agreement.

CASE NO. PUC980139
NOVEMBER 24, 1998

APPLICATION OF
UNITED TELEPHONE-SOUTHEAST
and
EZ TALK COMMUNICATIONS, L.L.C.

For approval of an interconnection agreement under § 252(e) of the Telecommunications Act of 1996

ORDER APPROVING AGREEMENT

On September 11, 1998, United Telephone-Southeast("United") and EZ Talk Communications, L.L.C. ("EZ Talk") filed an interconnection agreement ("Agreement") for Commission approval pursuant to §§ 251 and 252 of the Telecommunications Act of 1996 ("the Act"), 47 U.S.C. §§ 251 and 252.

The Commission has constitutional and statutory duties to regulate the operations of telecommunications public service companies to assure conformance to the public interest. See Va. Const. art. IX, § 2 and § 56-35 of the Code of Virginia. This authority has been reaffirmed by the enactment of § 56-235.5.B and § 56-265.4:4.C.1. Whether the Commission is authorizing alternative forms of regulation or certificating competitive providers, it must assure the continuation of quality local exchange service and protect the public interest. Notwithstanding their negotiated agreement, United, EZ Talk, and all other providers of local exchange service must comply with all statutory standards and Commission rules and regulations.

Counsel for United indicated that a copy of the Application was served on the modified service list in this case as defined in the Commission's Procedural Rules for Implementing §§ 251 and 252 of the Act, as adopted in Case No. PUC960059, 20 VAC 5-400-190. Comments were to be filed on or before October 2, 1998, and none were received.

The Commission finds that the Agreement should be approved pursuant to the standards set forth in § 252(e)(2)(A) of the Act. It should not, however, be viewed as Commission precedent for other agreements. The Agreement is directly binding only on United and EZ Talk. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) Pursuant to the Commission's authority to regulate public service companies as authorized by the Virginia Constitution, art. IX, § 2 and § 56-35 of the Code of Virginia, the interconnection agreement submitted by United and EZ Talk hereby is approved as complying with § 252(e) of the Act.

(2) Pursuant to § 252(h) of the Act, a copy of this Agreement shall be kept on file in the Commission's Division of Communications for inspection by the public.

(3) This matter is continued generally for the consideration of any subsequent revisions or amendments to the Agreement.

CASE NO. PUC980140
NOVEMBER 25, 1998

APPLICATION OF
SINGLE SOURCE OF VIRGINIA, INCORPORATED

For a certificate of public convenience and necessity to provide local exchange telecommunications services

FINAL ORDER

On September 11, 1998, Single Source of Virginia, Incorporated ("SSVA" or "the Company") filed an application for a certificate of public convenience and necessity ("Certificate") requesting authority to provide local exchange telecommunications services throughout the Commonwealth of Virginia. As part of its application, SSVA requested a waiver of § 2.E.1 and § 5.A.4 of the Commission's Rules for Local Exchange Telephone Competition, as adopted in Case No. PUC950018 ("Local Rules") requiring the filing of audited financial statements. By Order dated September 25, 1998, the Commission directed the Company to provide notice to the public of its application, directed the Commission Staff to conduct an investigation and file a report, and scheduled a public hearing to receive evidence relevant to SSVA's application.

On November 4, 1998, Staff filed its report finding that SSVA's application was in compliance with the Commission's Local Rules, except that the financial statements submitted by SSVA were unaudited. Based upon its review of SSVA's application and the Company's request for waiver of Local Rule § 2.E.1, requiring audited financial statements to be filed with an application, the Staff determined it would be appropriate to grant a local exchange certificate to SSVA subject to two conditions: (i) any customer deposits collected by the Company be retained in an unaffiliated third-party escrow account until such time as the Staff or Commission determines is necessary; and (ii) the Company shall provide audited financial statements for itself or its parent, East Coast Communications, Inc. ("East Coast"), to the Staff no later than one year from the effective date of its initial tariff. Staff opposed the Company's request for a permanent waiver of Local Rule § 5.A.4, requiring carriers to file audited financial statements annually.

A hearing was conducted on November 24, 1998. SSVA filed proof of publication and proof of service as required by the September 25, 1998, scheduling order. At the hearing, the proof of notice, application and accompanying attachments, and the Staff's report were entered into the record without objection. The Commission heard statements from counsel on SSVA's request for a permanent waiver of § 5.A.4 of the Commission's Local Rules.

Having considered the application and the Staff's report, the Commission finds that SSVA's application should be granted. We also find that the Company's request for a waiver of § 2.E.1 of the Local Rules, as it relates to filing audited financial statements with the application, should be granted. However, we further find that the request for a permanent waiver of Local Rule § 5.A.4 should be denied. Although we will require the Company to retain any customer deposits in an unaffiliated third-party escrow account, this requirement should not be interpreted to prevent the Company's normal access to deposits from delinquent terminated accounts.

Accordingly, IT IS THEREFORE ORDERED THAT:

(1) Single Source of Virginia, Incorporated is hereby granted Certificate of Public Convenience and Necessity No. T-423 to provide local exchange telecommunications services subject to the restrictions set forth in the Commission's Rules for Local Exchange Telephone Competition, § 56-265.4:4 of the Code of Virginia, and the provisions of this Order.

(2) SSVA shall provide tariffs to the Division of Communications which conform with all applicable Commission rules and regulations.

(3) Should SSVA collect customer deposits, it shall establish and maintain an escrow account held by an unaffiliated third party for such funds and shall notify the Commission Staff of the escrow arrangement. Any escrow arrangement established pursuant to this Order shall be maintained for such time as the Staff or the Commission determines necessary.

(4) The Company shall provide audited financial statements for SSVA or its parent, East Coast, to the Staff no later than one year from the effective date of its initial tariff.

(5) There being nothing further to come before the Commission, this case shall be dismissed and the papers filed herein placed in the Commission's file for ended causes.

CASE NO. PUC980141
NOVEMBER 19, 1998

APPLICATION OF
KMC TELECOM OF VIRGINIA, INC.

To expand its service territory for the provision of local exchange service

FINAL ORDER

On October 9, 1998, the Commission entered an Order Prescribing Notice directing KMC Telecom of Virginia, Inc. ("KMC") to publish notice to the general public concerning its application to expand its local exchange service territory to encompass the entire Commonwealth of Virginia. KMC filed the required proof of notice on November 5, 1998. The October 9, 1998, Order also established a deadline of November 6, 1998, for persons to file comments or requests for hearing concerning the Company's application, and none have been received.

The Commission finds that the request of KMC to expand its service territory should be granted. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) The certificate of public convenience and necessity of KMC Telecom of Virginia, Inc., No. T-370, is hereby canceled and reissued as Certificate No. T-370a to reflect that the local exchange service territory of KMC Telecom of Virginia, Inc. has been expanded to encompass the entire Commonwealth.

(2) There being nothing further to come before the Commission, this matter is dismissed and the papers accumulated herein shall be placed in the file for ended causes.

CASE NO. PUC980144
DECEMBER 7, 1998

APPLICATION OF
GTE SOUTH INCORPORATED
and
CRG INTERNATIONAL, INC., D/B/A NETWORK ONE

For approval of an interconnection agreement under § 252(e) of the Telecommunications Act of 1996

ORDER APPROVING AGREEMENT

On September 22, 1998, GTE South Incorporated ("GTE") and CRG International, Inc. d/b/a Network One ("Network One") filed an interconnection agreement ("Agreement") for Commission approval pursuant to §§ 251 and 252 of the Telecommunications Act of 1996 ("the Act"). 47 U.S.C. §§ 251 and 252.

This Agreement establishes the terms, conditions and prices for the mutual exchange and termination of traffic originating on each party's network and the purchase by Network One of unbundled network elements and certain resale services from GTE. However, this Agreement provides for two sets of prices. The first set of prices is the GTE Terms, shown in Appendix 45A, and the second set is the Cox Terms, shown in Appendix 45B. Section 45 of Article III of the Agreement provides that if the Cox Terms are deemed to be unlawful, or are stayed, enjoined or otherwise modified, in whole or part by a court or commission of competent jurisdiction, then the Agreement shall be deemed to have been amended to modify the Cox Terms or substitute the GTE Terms, retroactive to the effective date of the Agreement.

The Commission has constitutional and statutory duties to regulate the operations of telecommunications public service companies to assure conformance to the public interest. See Va. Const. art. IX, § 2 and § 56-35 of the Code of Virginia. This authority has been reaffirmed by the enactment of § 56-235.2.B and § 56-265.4:4.C.1. Whether the Commission is authorizing alternative forms of regulation or certificating competitive providers, it must assure the continuation of quality local exchange services and protect the public interest. Notwithstanding their negotiated agreement, GTE, Network One and all other providers of local exchange services must comply with all statutory standards and Commission rules and regulations.

Counsel for GTE indicated that a copy of the Application was served on the modified service list in this case as defined in the Commission's Procedural Rules for Implementing §§ 251 and 252 of the Telecommunications Act of 1996, as adopted in Case No. PUC960059, 20 VAC 5-400-190, ("procedural rules"). Comments were to be filed on or before twenty-one (21) days from the date of the application, and none were received.

As required by § A(2) of the procedural rules, we have reviewed the negotiated portions of the Agreement pursuant to § 252(e)(2)(A) of the Act. Under these criteria, we find no reason to reject this Agreement. However, there is at least one portion of the Agreement that requires our attention.

In Article III, Section 45, "Amendment of Certain Rates, Terms and Conditions", the following language appears:

> The rates, terms and conditions (including rates which may be applicable under true-up) specified in both the "GTE Terms" and the "Cox Terms" are further subject to amendment, retroactive to the Effective Date of the Agreement, to provide for charges or rate adjustments resulting from future Commission or other proceedings, including but not limited to any generic proceeding to determine GTE's unrecovered costs (e.g., historic costs, contribution, undepreciated reserve deficiency, or similar unrecovered GTE costs (including GTE's end user surcharge)), the establishment of a competitively neutral universal service system, or any appeal or other litigation.

The Commission is concerned the language here not be interpreted to define or mandate the parameters for any future Commission proceeding. If and when the Commission conducts any further proceeding(s) to determine prices applicable to interconnection for GTE, it will do as it is required and in accordance with the pricing standards established in § 252(d) of the Act. The parties are free to negotiate activities that they themselves will conduct, but the parties cannot agree to bind or direct future Commission actions. To the extent that there are other sections of the Agreement that attempt to bind the Commission's future actions, they shall not be enforceable.

Despite the above comments, we find that the Agreement should be approved. The Agreement is binding only on GTE and Network One and should not be viewed as precedent for other agreements. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) Pursuant to the Commission's authority to regulate public service companies as authorized by the Virginia Constitution, art. IX, § 2 and § 56-35 of the Code of Virginia, the interconnection agreement submitted by GTE and Network One is hereby approved as complying with § 252(e) of the Act.

(2) Pursuant to § 252(h) of the Act, a copy of this Agreement shall be kept on file in the Commission's Division of Communications for inspection by the public.

(3) This matter is continued generally for the consideration of any subsequent revisions or amendments to the Agreement.

CASE NO. PUC980147
DECEMBER 7, 1998

APPLICATION OF
BELL ATLANTIC-VIRGINIA, INC.
and
ICG TELECOM GROUP OF VIRGINIA, INC.

For approval of an interconnection agreement under § 252(e) of the Telecommunications Act of 1996

ORDER APPROVING AGREEMENT

On September 24, 1998, Bell Atlantic-Virginia, Inc. ("BA-VA") and ICG Telecom Group of Virginia, Inc. ("ICG") filed an interconnection agreement ("Agreement") for Commission approval, pursuant to §§ 251 and 252 of the Telecommunications Act of 1996 ("the Act"), 47 U.S.C. §§ 251 and 252. This Agreement was described as a resale agreement.

The Commission has constitutional and statutory duties to regulate the operations of telecommunications public service companies to assure conformance to the public interest. See Va. Const. art. IX, § 2 and § 56-35 of the Code of Virginia. This authority has been reaffirmed by the enactment of § 56-235.5.B and § 56-265.4:4.C.1. Whether the Commission is authorizing alternative forms of regulation or certificating competitive providers, it must assure the continuation of quality local exchange services and protect the public interest. Notwithstanding their negotiated agreement, BA-VA, ICG and all other providers of local exchange services must comply with all statutory standards and Commission rules and regulations.

Counsel for BA-VA indicated that a copy of the Application was served on the modified service list in this case as defined in the Commission's Procedural Rules for Implementing §§ 251 and 252 of the Telecommunications Act of 1996, as adopted in Case No. PUC960059, 20 VAC 5-400-190. Comments were to be filed by October 15, 1998, and none were received.

We have one area of concern with the Agreement. Section 30.2 under the heading of "Responsibility for Charges" appears to obligate ICG to pay for services provided by parties other than BA-VA regardless of whether ICG is paid for those charges by its customers. This agreement between ICG and BA-VA does not affect the rights of end users to dispute such charges and does not excuse either company from complying with the Commission's billing and collection rules. Notwithstanding this concern, we find that the Agreement should be approved pursuant to the standards of § 252(e)(2)(A) of the Act. It should not, however, be viewed as Commission precedent for other agreements. The Agreement is directly binding only on BA-VA and ICG. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) Pursuant to the Commission's authority to regulate public service companies as authorized by the Virginia Constitution, art. IX, § 2 and § 56-35 of the Code of Virginia, the interconnection agreement submitted by BA-VA and ICG Telecom Group of Virginia, Inc. is hereby approved as complying with § 252(e) of the Act.

(2) Pursuant to § 252(h) of the Act, a copy of this Agreement shall be kept on file in the Commission's Division of Communications for inspection by the public.

(3) This case is continued generally for the consideration of any subsequent amendments or revisions to the Agreement.

CASE NO. PUC980148
DECEMBER 2, 1998

APPLICATION OF
BELL ATLANTIC-VIRGINIA, INC.
and
NET-TEL COMMUNICATIONS CORPORATION

For approval of an Interconnection Agreement under § 252(e) of the Telecommunications Act of 1996

ORDER APPROVING AGREEMENT

On September 24, 1998, Bell Atlantic-Virginia, Inc. ("BA-VA") and NET-Tel Communications Corporation ("NET-Tel") filed their interconnection agreement ("Agreement") for Commission approval pursuant to §§ 251 and 252 of the Telecommunications Act of 1996 ("the Act"), 47 U.S.C. §§ 251 and 252. This Agreement was described as a resale agreement.

The Commission has constitutional and statutory duties to regulate the operations of telecommunications public service companies to assure conformance to the public interest. See Va. Const. art. IX, § 2 and § 56-35 of the Code of Virginia. This authority has been reaffirmed by the enactment of § 56-235.5.B and § 56-265.4:4.C.1. Whether the Commission is authorizing alternative forms of regulation or certificating competitive providers, it must assure the continuation of quality local exchange services and protect the public interest. Notwithstanding this negotiated agreement, BA-VA, NET-Tel, and all other providers of local exchange service must comply with all statutory standards and Commission rules and regulations.

Counsel for BA-VA indicated that a copy of the Agreement was served on the modified service list as defined in the Commission's Procedural Rules for Implementing §§ 251 and 252 of the Telecommunications Act of 1996, adopted in Case No. PUC960059, 20 VAC 5-400-190. Comments were to be filed by October 15, 1998, and none were received.

We have one area of concern with the Agreement. Section 30.2, under the heading of "Responsibility For Charges," appears to obligate NET-Tel to pay for services provided by parties other than BA-VA regardless of whether NET-Tel is paid for those charges by its customers. This agreement between BA-VA and Net-Tel does not affect the rights of end users to dispute such charges and does not excuse either company from complying with the Commission's billing and collection rules.

Notwithstanding this concern, the Commission finds that the Agreement should be approved pursuant to the standards of § 252(e)(2)(A) of the Act. It should not, however, be viewed as Commission precedent for other agreements. The Agreement is directly binding on only BA-VA and NET-Tel. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) Pursuant to the Commission's authority to regulate public service companies as authorized by the Virginia Constitution, art. IX, § 2 and § 56-35 of the Code of Virginia, the Agreement submitted by BA-VA and NET-Tel is hereby approved as complying with § 252(e) of the Act.

(2) Pursuant to § 252(h) of the Act, a copy of this Agreement shall be kept on file in the Commission's Division of Communications for inspection by the public.

(3) This matter is continued generally for the consideration of any subsequent amendments or revisions to the Agreement.

CASE NO. PUC980149
DECEMBER 3, 1998

APPLICATION OF
BELL ATLANTIC-VIRGINIA, INC.
and
NORTHPOINT COMMUNICATIONS, INC.

For approval of an interconnection agreement under § 252(e) of the Telecommunications Act of 1996

ORDER APPROVING AGREEMENT

On September 24, 1998, Bell Atlantic-Virginia, Inc. ("BA-VA") and Northpoint Communications, Inc. ("Northpoint") filed an interconnection agreement ("Agreement") for Commission approval pursuant to §§ 251 and 252 of the Telecommunications Act of 1996 ("the Act"), 47 U.S.C. §§ 251 and 252.

The Commission has constitutional and statutory duties to regulate the operations of telecommunications public service companies to assure conformance to the public interest. See Va. Const. art. IX, § 2 and § 56-35 of the Code of Virginia. This authority has been reaffirmed by the enactment of § 56-235.5.B and § 56-265.4:4.C.1. Whether the Commission is authorizing alternative forms of regulation or certificating competitive providers, it must assure the continuation of quality local exchange service and protect the public interest. Notwithstanding their negotiated agreement, BA-VA, Northpoint, and all other providers of local exchange service must comply with all statutory standards and Commission rules and regulations.

Counsel for BA-VA indicated that a copy of the Application was served on the modified service list in this case as defined in the Commission's Procedural Rules for Implementing §§ 251 and 252 of the Act, as adopted in Case No. PUC960059, 20 VAC 5-400-190. Comments were to be filed on or before October 15, 1998, and none were received.

The Commission finds that the Agreement should be approved pursuant to the standards set forth in § 252(e)(2)(A) of the Act. It should not, however, be viewed as Commission precedent for other agreements. The Agreement is directly binding only on BA-VA and Northpoint. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) Pursuant to the Commission's authority to regulate public service companies as authorized by the Virginia Constitution, art. IX, § 2 and § 56-35 of the Code of Virginia, the interconnection agreement submitted by BA-VA and Northpoint hereby is approved as complying with § 252(e) of the Act.

(2) Pursuant to § 252(h) of the Act, a copy of this Agreement shall be kept on file in the Commission's Division of Communications for inspection by the public.

(3) This matter is continued generally for the consideration of any subsequent revisions or amendments to the Agreement.

CASE NO. PUC980151
DECEMBER 14, 1998

APPLICATION OF
BELL ATLANTIC-VIRGINIA, INC.
and
MEDIAONE OF VIRGINIA AND
MEDIAONE TELECOMMUNICATIONS OF VIRGINIA, INC.

For approval of an interconnection agreement under § 252(e) of the Telecommunications Act of 1996

ORDER APPROVING AGREEMENT

On September 30, 1998, Bell Atlantic-Virginia, Inc. ("BA-VA") and MediaOne of Virginia and MediaOne Telecommunications of Virginia, Inc. ("MediaOne") filed an amended interconnection agreement ("Amended Agreement") for Commission approval pursuant to §§ 251 and 252 of the Telecommunications Act of 1996 ("the Act"), 47 U.S.C. §§ 251 and 252.

The Commission has constitutional and statutory duties to regulate the operations of telecommunications public service companies to assure conformance to the public interest. See Va. Const. art. IX, § 2 and § 56-35 of the Code of Virginia. This authority has been reaffirmed by the enactment of § 56-235.5.B and § 56-265.4:4.C.1. Whether the Commission is authorizing alternative forms of regulation or certificating competitive providers, it must assure the continuation of quality local exchange services and protect the public interest. Notwithstanding their amended negotiated agreement, BA-VA, MediaOne, and all other providers of local exchange services must comply with all statutory standards and Commission rules and regulations.

Counsel for BA-VA and MediaOne indicated that a copy of the Application was served on the modified service list in this case as defined in the Commission's Procedural Rules for Implementing §§ 251 and 252 of the Act, as adopted in Case No. PUC960059, 20 VAC 5-400-190. Comments were to be filed on or before October 21, 1998, and none were received.

The Commission finds that the Amended Agreement should be approved pursuant to the standards set forth in § 252(e)(2)(A) of the Act. It should not, however, be viewed as Commission precedent for other agreements. The Amended Agreement is directly binding only on BA-VA and MediaOne. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) Pursuant to the Commission's authority to regulate public service companies as authorized by the Virginia Constitution, art. IX, § 2 and § 56-35 of the Code of Virginia, the amended interconnection agreement submitted by BA-VA and MediaOne hereby is approved as complying with § 252(e) of the Act.

(2) Pursuant to § 252(h) of the Act, a copy of this Amended Agreement shall be kept on file in the Commission's Division of Communications for inspection by the public.

(3) This matter is continued generally for the consideration of any subsequent revisions or amendments to the Amended Agreement.

CASE NO. PUC980155
DECEMBER 23, 1998

APPLICATION OF
NEW CENTURY TELECOM, INC.

For a certificate of public convenience and necessity to provide local exchange telecommunications services

FINAL ORDER

On October 5, 1998, New Century Telecom, Inc. ("New Century" or "the Applicant") completed an application for a certificate of public convenience and necessity to provide local exchange telecommunications services throughout the Commonwealth of Virginia.

By order dated November 2, 1998, the Commission directed the Applicant to provide notice to the public of its application, directed the Commission Staff to conduct an investigation and file a report, and scheduled a public hearing to receive evidence relevant to New Century's application.

On December 8, 1998, the Staff filed its report finding that New Century's application was in compliance with the Commission's Rules for Local Exchange Telephone Competition, as adopted in Case No. PUC950018, except that New Century did not provide audited financial statements. Based upon its review of New Century's application and unaudited financial statements, the Staff determined it would be appropriate to grant a local exchange certificate to New Century subject to two conditions: (1) any customer deposits collected by the Company shall be retained in an unaffiliated third-party escrow account until such time as the Staff or Commission determines is no longer necessary; and (2) New Century shall provide audited financial statements to the Staff on or before one year from the effective date of its initial tariff.

A hearing was conducted on December 17, 1998. At the hearing, the application, with accompanying exhibits, and the Staff Report were entered into the record without objection.

Also at the hearing, counsel for New Century stated that the Applicant intended only to provide local exchange telecommunications services in the Washington, D.C. metropolitan area, and therefore, had only published notice in the Washington Post newspaper. New Century requested that the

Commission permit it to amend its application to reflect its intent to provide services only in the Washington, D.C. metropolitan area. The Commission granted New Century's request at the December 17, 1998, hearing, with the condition that counsel for the Applicant and Staff define the area in which the Applicant intends to provide local exchange telecommunications services. Counsel for Staff and the Applicant subsequently defined the service area as the Virginia portion of the Washington Primary Metropolitan Statistical Area ("PMSA"), which includes the counties of Arlington, Clarke, Culpeper, Fairfax, Fauquier, King George, Loudoun, Prince William, Spotsylvania, Stafford, and Warren. Also included are the cities of Alexandria, Fairfax, Falls Church, Fredericksburg, Manassas and Manassas Park.

Having considered the application and the Staff Report, the Commission finds that a certificate should be granted. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) New Century Telecom, Inc. is hereby granted a certificate of public convenience and necessity, No. T-426, to provide local exchange telecommunications services throughout the Virginia portion of the Washington PMSA, as defined in this Order, subject to the restrictions set forth in the Commission's Rules for Local Exchange Competition, § 56-265.4:4 of the Code of Virginia, and the provisions of this Order.

(2) New Century shall file tariffs with the Division of Communications which conform with all applicable Commission rules and regulations.

(3) New Century shall provide audited financial statements to the Staff no later than one year from the effective date of its initial tariff.

(4) Any customer deposits collected by the Company shall be retained in an unaffiliated third-party escrow account until such time as the Staff or the Commission determines is no longer necessary.

(5) There being nothing further to come before the Commission, this case shall be dismissed and the papers placed in the file for ended causes.

CASE NO. PUC980157
DECEMBER 14, 1998

APPLICATION OF
BELL ATLANTIC-VIRGINIA, INC.
and
DIECA COMMUNICATIONS, INC., D/B/A COVAD COMMUNICATIONS COMPANY

For approval of an interconnection agreement under § 252(e) of the Telecommunications Act of 1996

ORDER APPROVING AGREEMENT

On October 16, 1998, Bell Atlantic-Virginia, Inc. ("BA-VA") and DIECA Communications, Inc. d/b/a Covad Communications Company ("Covad") filed an interconnection agreement ("Agreement") for Commission approval pursuant to §§ 251 and 252 of the Telecommunications Act of 1996 ("the Act"), 47 U.S.C. §§ 251 and 252.

The Commission has constitutional and statutory duties to regulate the operations of telecommunications public service companies to assure conformance to the public interest. See Va. Const. art. IX, § 2 and § 56-35 of the Code of Virginia. This authority has been reaffirmed by the enactment of § 56-235.5.B and § 56-265.4:4.C.1. Whether the Commission is authorizing alternative forms of regulation or certificating competitive providers, it must assure the continuation of quality local exchange services and protect the public interest. Notwithstanding their negotiated agreement, BA-VA, Covad, and all other providers of local exchange services must comply with all statutory standards and Commission rules and regulations.

Counsel for BA-VA indicated that a copy of the Application was served on the modified service list in this case as defined in the Commission's Procedural Rules for Implementing §§ 251 and 252 of the Act, as adopted in Case No. PUC960059, 20 VAC 5-400-190. Comments were to be filed on or before November 6, 1998, and none were received.

The Commission finds that the Agreement should be approved pursuant to the standards set forth in § 252(e)(2)(A) of the Act. It should not, however, be viewed as Commission precedent for other agreements. The Agreement is directly binding only on BA-VA and Covad. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) Pursuant to the Commission's authority to regulate public service companies as authorized by the Virginia Constitution, art. IX, § 2 and § 56-35 of the Code of Virginia, the interconnection agreement submitted by BA-VA and Covad hereby is approved as complying with § 252(e) of the Act.

(2) Pursuant to § 252(h) of the Act, a copy of this Agreement shall be kept on file in the Commission's Division of Communications for inspection by the public.

(3) This matter is continued generally for the consideration of any subsequent revisions or amendments to the Agreement.

CASE NO. PUC980160
DECEMBER 14, 1998

APPLICATION OF
BELL ATLANTIC-VIRGINIA, INC.
and
CTC COMMUNICATIONS OF VIRGINIA, INC.

For approval of an interconnection agreement under § 252(e) of the Telecommunications Act of 1996

ORDER APPROVING AGREEMENT

On October 21, 1998, Bell Atlantic-Virginia, Inc. ("BA-VA") and CTC Communications of Virginia, Inc.("CTC") filed an interconnection agreement ("Agreement") for Commission approval, pursuant to §§ 251 and 252 of the Telecommunications Act of 1996 ("the Act"), 47 U.S.C. §§ 251 and 252. This Agreement was described as a resale agreement.

The Commission has constitutional and statutory duties to regulate the operations of telecommunications public service companies to assure conformance to the public interest. See Va. Const. art. IX, § 2 and § 56-35 of the Code of Virginia. This authority has been reaffirmed by the enactment of § 56-235.5.B and § 56-265.4:4.C.1. Whether the Commission is authorizing alternative forms of regulation or certificating competitive providers, it must assure the continuation of quality local exchange service and protect the public interest. Notwithstanding their negotiated agreement, BA-VA, CTC, and all other providers of local exchange services must comply with all statutory standards and Commission rules and regulations.

Counsel for BA-VA indicated that a copy of the Application was served on the modified service list in this case as defined in the Commission's Procedural Rules for Implementing §§ 251 and 252 of the Telecommunications Act of 1996, as adopted in Case No. PUC960059, 20 VAC 5-400-190. Comments were to be filed by November 11, 1998, and none were received.

We have one area of concern with the Agreement. Section 30.2 under the heading of "Responsibility for Charges" appears to obligate CTC to pay for services provided by parties other than BA-VA regardless of whether CTC is paid for those charges by its customers. This agreement between CTC and BA-VA does not affect the rights of end users to dispute such charges and does not excuse either company from complying with the Commission's billing and collection rules. Notwithstanding this concern, we find that the Agreement should be approved pursuant to the standards of § 252(e)(2)(A) of the Act. It should not, however, be viewed as Commission precedent for other agreements. The Agreement is directly binding only on BA-VA and CTC. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) Pursuant to the Commission's authority to regulate public service companies as authorized by the Virginia Constitution, art. IX, § 2 and § 56-35 of the Code of Virginia, the interconnection agreement submitted by BA-VA and CTC is hereby approved as complying with § 252(e) of the Act.

(2) Pursuant to § 252(h) of the Act, a copy of this Agreement shall be kept on file in the Commission's Division of Communications for inspection by the public.

(3) This case is continued generally for the consideration of any subsequent amendments or revisions to the Agreement.

CASE NO. PUC980161
DECEMBER 22, 1998

APPLICATION OF
TELECOM LICENSING OF VIRGINIA, INC.

For a certificate of public convenience and necessity to provide local exchange telecommunications services

FINAL ORDER

On October 26, 1998, Telecom Licensing of Virginia, Inc. ("TLVI" or "the Company") filed an application for a certificate of public convenience and necessity ("certificate") to provide local exchange telecommunications services throughout the Commonwealth of Virginia. By Order dated November 6, 1998, the Commission directed the Company to provide notice to the public of its application, directed the Commission Staff to conduct an investigation and file a report, and scheduled a public hearing to receive evidence relevant to TLVI's application. On December 11, 1998, Staff filed its report finding that TLVI's application was in compliance with the Commission's Local Rules.

A hearing was conducted on December 17, 1998. The Company filed proof of publication and proof of service as required by the scheduling order. The Company disclosed that service was effected (seven) 7 days late on other local exchange carriers. However, all carriers were served prior to the date for intervention or filing of comment and none has taken action. Under the circumstances, we find substantial compliance with our Order of November 6, 1998. At the hearing, the proof of notice, application and accompanying attachments, and the Staff's report were entered into the record without objection.

Having considered the application and the Staff's report, the Commission finds that TLVI's application should be granted. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) Telecom Licensing of Virginia, Inc. hereby is granted a certificate of public convenience and necessity, No. T-425 to provide local exchange telecommunications services subject to the restrictions set forth in the Commission's Rules for Local Exchange Telephone Competition, § 56-265.4:4 of the Code of Virginia, and the provisions of this Order.

(2) TLVI shall provide tariffs to the Division of Communications which conform with all applicable Commission rules and regulations.

(3) There being nothing further to come before the Commission, this case shall be dismissed and the papers herein placed in the file for ended causes.

DIVISION OF ENERGY REGULATION

CASE NO. PUE950089
MARCH 9, 1998

COMMONWEALTH OF VIRGINIA ex rel.
STATE CORPORATION COMMISSION

Ex Parte: In the matter of reviewing and considering Commission policy regarding restructuring of and competition in the electric utility industry

ORDER GRANTING MOTION

By motion dated February 27, 1998, Commission Staff requested that the Commission extend the deadline for filing its report whether, and if so how, to increase monitoring of electric service quality. The report was to be filed on or before March 1, 1998. Staff explained that it has been unable to complete its report and that developments in the current session of the Virginia General Assembly may affect the manner in which these issues should be addressed.

Staff also requested that the Commission bifurcate this proceeding in order to address two related, but distinct, aspects to electric service quality issues -- electric distribution reliability and general customer service. Staff stated that it believes that both of these aspects should be addressed separately due to the differing nature of each and in order to limit the demand on Staff resources in this unusually dynamic environment. Staff also stated that bifurcation would increase the effective management of these efforts and enhance the ability of Staff to devote the level of attentiveness required to ensure that efficient and meaningful standards and monitoring programs are developed and implemented.

NOW THE COMMISSION, upon consideration of this matter, finds that good cause exists for granting the relief requested in Staff's motion. The Commission agrees with Staff that the two related, but distinct, issues that are raised in the context of monitoring service quality are more appropriately and efficiently addressed in separate proceedings. The Commission finds that a separate docket should be established to consider the development of a more formal system to monitor electric distribution reliability and that the distribution reliability investigation should proceed in accordance with the study outline attached to Staff's Motion. Accordingly, the Commission will establish a docket concerning this matter by subsequent order.

The bifurcation of the current reporting requirement accomplished by this Order recognizes and accepts Staff's observations as to the related, but distinct, aspects of customer service in the distribution of electric power. The Commission will also note that, in the future, the provider of distribution service may or may not be responsible for electricity generation and transmission and that these components of the provision of electric service have a like effect on the quality of delivered service to end users. Therefore, the Commission may, as it deems appropriate, establish separate dockets for study of transmission and generation service quality or may direct the Staff to expand its current study and report on these issues in the docket established by this Order.

The Commission further finds that an investigation regarding the development of standards and a monitoring system for general customer service and responsiveness should be addressed in a future docket within the context of restructuring development and that the docketing of this investigation may be premature at this time. The Commission will enter an order docketing this matter and providing notice when it deems to do so is timely.

Accordingly, IT IS ORDERED THAT:

(1) Staff's motion requesting that it not be required to file its report on whether and, if so, how to increase monitoring of electric service quality on March 1, 1998, is hereby granted;

(2) By subsequent order, a separate docket concerning the development of a formal system for the evaluation and monitoring of distribution reliability will be established and investigation of this matter will proceed in accordance with Staff's suggested study outline; and

(3) The investigation of general customer service will be deferred at this time and addressed in a future docket within the context of restructuring development.

CASE NO. PUE950091
MARCH 20, 1998

APPLICATION OF
PO RIVER WATER & SEWER COMPANY

For a rate increase pursuant to Virginia Code § 56-265.13:1 et seq.

FINAL ORDER

On September 15, 1995, Po River Water and Sewer Company ("Po River" or the "Company") notified its customers of a proposed increase in rates for water and sewer services rendered on or after November 1, 1995.[1] Po River stated its intention to include Indian Acres Club of Thornburg, Inc. ("IACT") as a separate customer class in accordance with the Commission's directive in its final order in the Company's 1992 rate proceeding.[2]

In response, IACT challenged the Commission's authority to determine IACT's status as a customer. This challenge recently culminated in the Supreme Court of Virginia rendering an opinion in Po River Water and Sewer Co. v. Indian Acres Club of Thornburg, Inc., et. al, Record No. 970050, slip op. at 5-6 (Jan. 9, 1998), petition for rehearing denied (Feb. 27, 1998), that confirmed the Commission's authority in this regard. The Court held that the Commission has sole jurisdiction over the matter of establishing customer classes for the purpose of determining rates. Thus, the only issues that remain in this proceeding are the revenue requirement and proposed rates.

Po River provides water service to 6,230 individual lots and all of IACT's common area facilities, including three swimming pools, a clubhouse and restaurant, a recreation center, administrative offices, a store, a laundromat, a carwash and 42 comfort stations. In addition, the Company provides sewer service to the majority of its customers by means of "dump stations" which are scattered throughout the campground and provides direct service to 82 individual lots located in Glen 11.[3] Po River provides year-round water and sewer service to 25 of the 42 comfort stations and 18 of the dump stations are provided with "frost-free hydrants" for year-round service. The Company provides service to individual lot owners from mid-April through mid-November.

In its application, Po River proposed two alternate rate structures, depending on whether IACT is determined to be a separate customer. Both of the Company's rate structures are based on a revenue requirement of $490,000. In the event that IACT would not be deemed a customer, Po River proposed to charge individual lot owners a rate of $43.75 per quarter.[4] Alternatively, the Company proposed to charge IACT a flat quarterly rate of $85,750 for service provided to its common area facilities and amenities; this would, in turn, lower the individual lot owners' rate to $13.13 per quarter.[5] The Company has billed the individual lot owners a quarterly rate of $43.75 and IACT $85,750 per quarter. IACT has failed to pay its bills.

Po River's proposed rate structure is based on a water and sewer allocation study in which it separated its total cost of service into water and sewer components of 40% and 60%, respectively. The Company then estimated the total water consumption attributable to IACT and, after subtracting that amount from the total system usage (less a 2.5% "unaccounted for" water factor), arrived at a water consumption estimate for IACT of 27.84%. With respect to IACT's sewer usage, the Company estimated the usage attributable to the Glen 11 lot owners and subtracted that amount from the total system usage to arrive at an estimated usage allocation of 96.2% for IACT.

The Commission Staff contended that Po River's study was flawed in a number of ways. Specifically, Staff asserted that: (i) the study is based on only one month of usage and therefore is not representative; (ii) the limited information provided by the Company is inconsistent with the percentages used in the study; (iii) the Company's allocation of water and sewer into components of 40% and 60%, respectively, was based solely on the Company's judgment (i.e., there is no independent support for the figures); (iv) the estimate of IACT's total consumption is based on data collected at only five metered stations; (v) the study's assumption that all costs of providing water service should be allocated on the basis of an average day's consumption ignores certain expenses; and (vi) sewer usage attributable to the dump stations should not be assigned to IACT.

Staff found that the Company's proposed revenue requirement of $490,000 is reasonable. It recommended an uncollectible rate of 30% be applied to the individual lot owners; the 30% is the ratio of nonpaying customers to the total billed customers. Staff believes that the bad debt expense is consistent with the methodology approved in the 1992 rate case and recognizes that only 70% of the billed lot owners pay their bills.

Staff adjusted the usage factors for water to attribute 22.96% to IACT and 77.04% to individual lot owners, using usage data from the 12 month period of May, 1995 through April, 1996. Staff also reapportioned the sewer expenses. It contended that the Company overstated the sewer usage attributable to IACT because it assigned all of the dump stations to IACT. Staff believes that usage associated with the dump stations should be attributed to the individual lot owners since the dump stations serve the purpose of collecting sewage from the individual lot owners. Staff therefore assigned the usage attributable to the dump stations to the individual lot owners and apportioned the sewerage expenses in the same manner as water expenses; i.e., based on water consumption. Staff noted that water and sewer usage typically are closely correlated.

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[1] By Orders dated October 31, 1995 and December 4, 1995, the Commission established a hearing, suspended the rates through November 30, 1995 and allowed the Company to put its proposed rates and charges into effect on an interim basis, subject to refund (with interest), effective December 1, 1995.

[2] See State Corporation Commission v. Po River Water & Sewer Company, Case No. PUE920039, 1994 SCC Ann. Rept. 310.

[3] Lot owners empty the sewage tanks from their recreational vehicles at the dump stations; the sewage is pumped into the Company's waste treatment plant where it is processed.

[4] Po River calculated the quarterly rate of $43.75 for individual lot owners by dividing the $490,000 by 2,800 billing determinants and then dividing that figure by four to arrive at its proposed quarterly payments. Po River used 2,800 billing determinants because it asserts that is the number of paying individual lot owners.

[5] The $343,000 (the total revenue collected from IACT over a year) was subtracted from $490,000 and that number ($147,000) was divided by the 2,800 billing determinants and further divided by four to arrive at a quarterly rate of $13.13.

Staff stated that it did not have sufficient information upon which to develop an alternate cost allocation study and, instead, made several adjustments to Po River's study. Staff apportioned 20.39% of the Company's overall revenue requirement to IACT and 79.61% to the individual lot owners. Then, using 2,800 billing determinants, Staff calculated a quarterly rate of $24,977.75 for IACT and a quarterly rate of $34.83 for the individual lot owners.

With respect to the Company's proposed miscellaneous charges, Staff did not object to the customer deposit, reconnection charge, and certain additions and revisions to the Company's rules and regulations, with one exception as discussed in the Hearing Examiner's Report.

In addition, Staff made several recommendations regarding Po River's future cost of service studies. Staff recommended that: (i) the Company be directed to install meters on all 42 comfort stations; (ii) the Company be required to use at a minimum two years of data when analyzing customer consumption; (iii) the Company be directed to separate accounting and legal expenses, and any other expenses not associated with consumption, from its cost of service and assign them using an allocation methodology unrelated to consumption; and (iv) in the event that the Commission does not accept Staff's recommendation that sewer revenues be apportioned in the same manner as water revenues, the Company be directed to perform a cost of service study separating the Company's total costs into water and sewer components, using a cost of service methodology accepted by the American Water Works Association.

On June 27, 1997, the Hearing Examiner issued his Report in which he adopted Staff's recommendations, with the exception of Staff's recommendation regarding additional meters.[6] Specifically, the Hearing Examiner recommended that Staff's proposed adjustments to the Company's expense associated with the installation of meters to IACT amenities and to the Company's management fees are reasonable and should be adopted. The Examiner found that a revenue requirement of $490,000 is reasonable.

The Hearing Examiner agreed with Staff that the Company should continue to bill 4,007 accounts, the number of accounts the Company actually has been billing since its 1992 rate case. He also agreed with Staff that to reduce the customer base "would punish those who continue to pay, not only by increasing their rates, but also by failing to provide an incentive for the Company to attempt to collect from those who currently refuse to pay." Hearing Examiner's Report at 8. The Examiner stated that the Company should "vigorously pursue delinquent customers." Id. He concluded that rates for lot owners should be determined using 2,800 billing determinants. The Examiner recommended that the IACT rate should be $24,977.75 per quarter and the individual lot owners' rate should be $34.83 per quarter, as recommended by Staff.

The Hearing Examiner also recommended that the Company and IACT should work together to improve the Company's billing and collections measures, and that Po River be directed to renew its collection efforts in local courts. The Hearing Examiner agreed with Staff's recommendation concerning the Company's proposed miscellaneous charges and revisions to its rules and regulations. Finally, the Hearing Examiner dismissed IACT's allegations that the system has major leaks and the Company should be directed to perform the maintenance necessary to correct the situation. The Examiner stated that "there is no indication that [Po River] is failing to provide adequate service to its customers" and "it would be inappropriate for the Commission to mandate repairs at this time."[7]

IACT takes a number of exceptions to the Hearing Examiner's findings and recommendations. Apart from its argument that IACT is not a customer of Po River, IACT contends that the Examiner's finding that rates should be calculated based on 2,800 paying customers is unjust and unreasonable. IACT argues that Po River's precipitous loss of paying customers over the past few years is due to the Company's "lack of competence in prosecuting collections cases and poor judgment in deciding to terminate all collection efforts." IACT Exceptions at 2. IACT also contends that Po River is not entitled to the full amount of its proposed rate increase because the Company's expenses are excessive. IACT asserts, for example, that the Company's failure to repair major leaks and maintain the distribution system has resulted in increased production and maintenance costs. IACT also asserts that Po River could have curtailed its billing costs by accepting IACT's offer to be the agent for collection purposes, but that the Company has refused to take this action which "by its own admission, will reduce its costs of operations by $70,000 annually." Id. at 14. Further, IACT argues that the rate of return recommended by the Hearing Examiner is excessive.

Po River also filed Comments on the Hearing Examiner's Report. The Company urges the Commission to adopt the rates proposed by the Company, rather than Staff's proposed rates. Po River maintains that IACT uses over 96% of the sewer services and that the individual lot owners use approximately 72% of the water service. The Company asserts that the usual assumption of a direct correlation between water and sewer use does not apply in IACT's case. Po River continues to argue that the per lot rate for the individual lot owners should be based on no more than 2,800 paying customers. The Company states that it should not be required to base its rates on 4,004 paying customers because that figure assumes over 1,200 more paying customers than is the actual case. Po River rebuts IACT's contention that the 4,004 number should be used because the actual lower paying customer base is due to the Company's incompetence in pursuing collection actions. The Company points out that IACT's argument is incredible since IACT itself had the Company enjoined from collecting its bills. Moreover, Po River states, cases concerning whether individual lot owners should be considered customers were still pending through the middle of 1995.

Po River also rejects IACT's allegation that the Company's water leakage rate is 56%, arguing that the Hearing Examiner correctly found that IACT's leakage rate methodology has too many inconsistencies to be accurate. With respect to lowering billing costs, Po River states that it, not IACT, initiated discussions regarding the possibility of IACT serving as a billing agent. Po River further states that IACT, in its post hearing brief, appears to offer to perform only billing and collection services but not take on the responsibility of operating and maintaining the systems and, if that is the case, the Company is willing to work out an arrangement in this regard.

NOW upon consideration of the Company's application, the record herein, the June 27, 1997 Hearing Examiner's Report, the comments and exceptions thereto, and the applicable statutes and rules, the Commission is of the opinion and finds that the recommendations of the Hearing Examiner are reasonable, supported by the record, and should be adopted, with certain modifications discussed below.

First, we find the Company's allocation study and supporting data to be woefully inadequate. Therefore, we will direct the Company in its next rate proceeding to incorporate into its allocation study Staff's recommendations that the Company: (i) use a minimum of two years of data when analyzing its customers' consumption; (ii) separate accounting and legal expenses, and any other expenses not associated with consumption, from its cost of service and

[6] See Hearing Examiner's Report at 14.

[7] Id. at 15.

assign these items using an allocation methodology unrelated to consumption; and (iii) perform a cost of service study separating the Company's total costs into water and sewer components, using a cost of service methodology accepted by the American Water Works Association.

Second, because the Company's cost of service study and the supporting materials are inadequate, it is unclear whether the various costs should be treated as proposed by the Company or recommended by our Staff. Nevertheless, we are required to decide the appropriate level of rates and other rate-related issues based on the record that has been established. Therefore, we will accept the Company's cost allocation between water and sewer into components of 40% and 60%, respectively. We find that the Company's assignment of sewer expenses to IACT may be appropriate but that further study, including a detailed analysis and supporting data, is required before a final determination can be made. For this case we will allocate half of the 96.2% (or 48.1%) to IACT. The remainder of sewer allocation, or 51.9%, will be assigned to the individual lot owners. We direct that this allocation issue be further analyzed by the Company and Staff in the next rate proceeding.

With respect to the allocation of water expenses, we find that Staff's recommendation that 20.39% of the water revenues be assigned to IACT is reasonable. Staff's number is slightly lower than the number proposed by the Company because Staff allocated a portion of the Company's water revenues based on the number of bills that will be issued to IACT and the individual lot owners.[8] In other words, Staff's calculation reflects the fact that some portion of the Company's expenses are not associated with usage. Thus, the individual lot owners will be assigned the remainder of the water expense allocation, or 79.61%.

We will not assume a 30% uncollectible rate for the individual lot owners that was recommended by the Hearing Examiner. We are aware that Po River's situation is somewhat unusual since it provides service to individuals in a campground and to an association that is composed of the same individuals. However, the owners of Po River assumed certain risks in purchasing this utility, including the risk of locating its customers and collecting payments from them. Po River's paying customers are not responsible for the Company's decline in its paying customer base and should not be saddled with unreasonable costs stemming from that problem. In other words, the paying customers should not be put in the position of being *de facto* guarantors of the Company. Moreover, the Commission cannot require a dwindling number of customers to subsidize the Company by allowing it an extraordinarily high uncollectible expense.[9]

Instead of using 2,800 billing determinants for lot owners' rates, we find that the use of 3,400 billing determinants is appropriate. Based on a $490,000 revenue requirement and 3,400 billing determinants, the quarterly rate for individual lot owners will be $22.69 and the quarterly rate for IACT will be $45,345, prospectively, to become effective April 30, 1998, for service rendered on or after May 1, 1998.

We further find that to require the quarterly rate of $45,345 for IACT for the interim period is not appropriate and that the new rates should be phased in. Accordingly, for the period from December 1, 1995, though April 30, 1998, the quarterly rate for IACT will be $22,672.50 and the quarterly rate for individual lot owners will be $29.36.

Further, we will require Po River in its next rate proceeding to propose a third rate schedule which would be applicable to the Glen 11 lot owners that would reflect the costs associated with their individual sewer connections. We also direct the Company and IACT to work together to develop improved billing and collection measures, as suggested by the Hearing Examiner, and to report to the Commission's Division of Energy Regulation on the results of this collaboration.

Accordingly, IT IS ORDERED that:

(1) The findings and recommendations of the June 27, 1997 Hearing Examiner's Report are hereby adopted, with the modifications discussed in the body of this Order.

(2) The rates for the period from December 1, 1995, through April 30, 1998, shall be $22,672.50 per quarter for IACT and $29.36 per quarter for the individual lot owners.

(3) The rates effective April 30,1998, for services rendered on or after May 1, 1998, shall be $22.69 per quarter for individual lot owners and $45,345 per quarter for IACT.

(4) On or before April 10, 1998, Po River shall file with the Division of Energy Regulation revised tariffs which are consistent with the findings made herein, effective for service rendered on or after May 1, 1998.

(5) On or before December 31, 1998, Po River shall complete the refund, with interest as directed below, of all revenues collected from the application of the interim rates which became effective for service rendered during the period December 1, 1995, through April 30, 1998, to the extent that such rates exceed the rates established in ordering paragraph number 2.

(6) Interest upon the ordered refunds shall be computed from the date payment of each quarterly bill was due during the interim period until the date refunds are made, at an average prime rate for each calendar quarter. The applicable average prime rate for each calendar quarter shall be the arithmetic mean, to the nearest one-hundredth of one percent, of the prime rate values published in the Federal Reserve Bulletin, or in the Federal Reserve's Selected Interest Rates (Statistical Release G.13), for the three months of the preceding calendar quarter.

(7) The interest required to be paid shall be compounded quarterly.

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[8] Staff estimated that the Company's customer accounting and legal expenses account for 12.31% of its total operating expenses and, based on that determination, apportioned 11.21% of the revenue requirement based on the number of bills that will be issued to IACT and the individual lot owners during the pro forma period. See May 23, 1996 Staff Testimony at 10.

[9] We note that, based on the total number of lots, 6,230, even using 3,400 billing determinants, the Company will, in effect, be allowed an uncollectible rate of approximately 45%.

(8) The refunds ordered in paragraph (5) above shall be accomplished by credit to the appropriate customer's account for current customers who made payments under the interim rates beginning with the first billing cycle after the date of this Order. Any outstanding credit remaining as of December 1, 1998, shall be refunded in full on or before December 31, 1998. Refunds to former customers shall be made by a check to the last known address of such customers when the refund amount is $1.00 or more. Po River may offset the credit or refund to the extent no dispute exists regarding the outstanding balances of its current customers, or for customer who are no longer on its system. To the extent that outstanding balances of such customers are disputed, no offset shall be permitted for the disputed portion. Po River may retain refunds owed to former customers when such refund is less than $1.00. However, the Company shall prepare and maintain a list detailing each of the former accounts for which refunds are less than $1.00, and in the event such former customers request refunds, same shall be made promptly. All unclaimed refunds shall be handled in accordance with Virginia Code § 55-210.6:2.

(9) On or before February 1, 1999, Po River shall file with the Division of Energy Regulation a document showing that all refunds have been lawfully made pursuant to this Order and itemizing the costs of the refund and accounts charged. Such itemization of costs shall include, inter alia, computer costs, the personnel hours, associated salaries, and costs for verifying and correcting the refund methodology and developing the computer program.

(10) Po River shall bear all costs of the refund directed in this Order.

(11) There being nothing further to be done herein, this matter shall be dismissed from the Commission's files for ended causes.

CASE NO. PUE950091
APRIL 8, 1998

APPLICATION OF
PO RIVER WATER & SEWER COMPANY

For a rate increase pursuant to Virginia Code § 56-265.13:1 et seq.

ORDER DENYING REHEARING

On March 30, 1998, Indian Acres Club of Thornburg, Inc. ("IACT") filed a petition for reconsideration of the Final Order issued in this proceeding on March 20, 1998. On April 6, 1998, Po River Water and Sewer Company ("Po River" or the "Company") also filed a petition for reconsideration.

IACT requests that the Commission reconsider its decision to allocate 48.1% of the Company's sewer expenses to IACT and reiterates its argument that the sewer expenses attributable to the dump stations should be attributed to the individual lot owners, not IACT. IACT requests that its rate to become effective May 1, 1998, i.e., $45,345 per quarter, remain the same as the rate established for the interim period, or $22,672.50 per quarter, until a new rate is set in the Company's next rate proceeding.

IACT also requests that the Commission direct Po River to locate and repair leaks in its water system before the summer camping season commences. IACT asserts that the Commission did not adequately address IACT's allegation that the Company's metering records show that the water system has a substantial leakage problem that must be causing major unwarranted increases in the Company's operating and maintenance expenses. IACT asserts that, contrary to the Hearing Examiner's finding, IACT's leakage rate methodology is valid, noting that it used the same methodology used by the Company's engineering consultant to calculate the leakage rate.

IACT also asserts that over a five day period in March, 1998, the level of water in the water storage tank dropped 30 feet, or more than 125,000 gallons, and that the 425 persons who used the facilities over that time period could not have used that much water. IACT further alleges that the Company's wells pumped throughout that period. IACT contends that if the Commission does not direct the Company to locate and repair the leaks, the Company "will be unable to provide adequate service when several thousand lot owners are using the facilities in late May and June."[1]

Po River requests that the Commission revise its Final Order to determine the rates based upon 2,800 paying customers which the Company states is the number of customers that paid their bills during the test year. Po River argues that the Commission's use of 3,400 paying customers to determine the rates overstates the number of paying customers and will result in an annual shortfall of $54,456. Po River also argues that the Final Order infers that the low collection rate during the test year was due, in part, to the Company's failure to aggressively pursue collection actions, but this ignores that the record shows that even when the Company vigorously pursued collections, it was unable to stem the loss of paying customers. Po River asserts that it is unreasonable to determine rates based on an assumption that renewed collection actions will result in an increase in the number of paying customers. Further, the Company states that it will make every reasonable effort to work with IACT in making it the billing and collections agent, but the success of that undertaking will depend on IACT's cooperation and the rates should not be established based on an assumption that IACT's assuming that role will result in an increase in the number of paying customers.

Po River also requests that the Commission revise IACT's rate for the interim period ($22,672.50 per quarter) to be the same rate as that established to become effective May 1, 1998 ($45,345 per quarter). Po River argues that the Commission should do so out of fairness to the individual lot owners who, according to the Company, have been subsidizing the services provided to IACT for years.

NOW THE COMMISSION, having considered IACT's and Po River's Petitions for Reconsideration, the record in this proceeding and the applicable statutes and rules, is of the opinion and finds that the petitions for reconsideration should be denied.

In the Final Order, the Commission accepted the Company's allocation between water and sewer into components of 40% and 60%, respectively, and found that the Company's allocation of 96.2% of the sewer expenses to IACT may be reasonable. Further, for the purposes of this case, the Commission allocated half of the 96.2% to IACT and the remainder to the individual lot owners. We note that, in the Final Order, the Commission stated that the

[1] IACT Petition for Reconsideration at 8.

allocation study and supporting data is woefully inadequate and "it is unclear whether the various costs should be treated as proposed by the Company or as recommended by our Staff."[2] The Commission specifically found that further study is necessary and directed the Company to include a detailed analysis and supporting data regarding the appropriate allocation of water and sewer expenses in its next rate proceeding. As we explained, we are required to determine the appropriate level of rates and rate-related issues based on the record before us.

IACT argues that we should revise its rates so that the rates to become effective May 1, 1998, or $45,345 per quarter, are lowered to the level of rates established for the interim period, or $22,672.50 per quarter. Po River requests the converse; it argues that IACT's rate for the interim period, or $22,672.50 per quarter, should be raised to the level of rates established for period beginning May 1, 1998, or $45,345 per quarter. In support of their requests, neither IACT nor Po River raise any new arguments that we have not already considered and rejected.[3] In short, nothing in either petition persuades us that we should alter our decision regarding the appropriate level of rates.

Regarding IACT's allegations of excessive leakage rates, IACT asserts that Po River will be unable to provide reliable service as the campground reaches its full capacity this summer because the Company has not addressed its problems stemming from major leaks in its water system. As mentioned, IACT provides a recent example of a weekend in March of 1998 which, if true, raises serious concerns. We cannot reach a final conclusion on this matter based on the inadequate record before us; however, we find that IACT's allegations concerning the leakage rates are serious and that steps should be undertaken to investigate and, if necessary, address this situation. Toward this end, we direct the Staff of the Division of Energy Regulation to conduct an informal investigation into these allegations and, as part of that investigation, to contact the Virginia Department of Health for any information they may have concerning Po River's service quality. This investigation should address both the short term and long term problems that may occur, as well as any potential solutions to them. We direct Po River to fully cooperate in this investigation, and Staff and the Company to consult with IACT to the extent practicable. Should the Staff and the Company be unable to agree on an appropriate course of action for addressing any short term or long term supply deficiencies, we direct the Staff to make recommendations to the Commission for further action.

Accordingly, IT IS ORDERED that:

(1) The Petitions for Reconsideration of IACT and Po River are hereby denied.

(2) The Commission Staff shall commence an informal investigation of Po River's alleged leakage problem and Po River is hereby directed to cooperate with Staff in this effort.

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[2] See Final Order at 9.

[3] Further, Po River has added nothing new with respect to its argument that its rates should be determined based on 2,800 customers, rather than on 3,400 customers.

CASE NO. PUE950131
JANUARY 15, 1998

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY,
VIRGINIA POWER SPC-I, INC.,
VIRGINIA POWER SPC-II, INC.,
and
CHESAPEAKE PAPER PRODUCTS COMPANY

For issuance of Certificates of Public Convenience and Necessity Pursuant to Va. Code § 56-265.2 and related regulatory approvals

ORDER GRANTING MOTION TO DISMISS

On December 18, 1995, Virginia Electric and Power Company ("Virginia Power" or "Company"), Virginia Power SPC-I, Inc. ("VP Sub-I"), and Chesapeake Paper Products Company, succeeded in interest by St. Laurent Paper Products Corporation ("St. Laurent") (collectively, "Applicants"), filed an application requesting approval of certain aspects of a dispersed energy facility ("Facility"). By Order dated August 13, 1997, the Commission granted preliminary approval of the application, with certain conditions, and required the Applicants to make a compliance filing on or before 180 days of the date of entry of the August 13, 1997 Order.

On January 13, 1997, the Applicants filed a Motion to Dismiss the proceeding. The Applicants stated that St. Laurent has determined that the Facility is not compatible with its long-term business strategy.

NOW THE COMMISSION, upon consideration of the foregoing, is of the opinion and finds that the Motion to Dismiss should be granted and that the August 13, 1997 Order should be vacated.

Accordingly, IT IS ORDERED that this matter shall be dismissed from the Commission's docket of active cases and the August 13, 1997 Order is hereby vacated.

CASE NO. PUE960021
FEBRUARY 25, 1998

APPLICATION OF
G.W. CORPORATION

For a certificate of public convenience and necessity

FINAL ORDER

On March 29, 1996, G.W. Corporation ("G.W." or "the Company") filed its application for a certificate of public convenience and necessity. In its application, the Company requests authority to provide water service to residents of the Glenwood Gardens subdivision located in both the City of Richmond and Henrico County, Virginia.

The Company also requests approval of its rates, charges, and rules and regulations of service. The Company proposes a $24.00 per month flat rate to be billed in arrears. In addition, G.W. proposes a $6.00 bad check charge, a $50.00 turn-on charge, a 1½% per month late payment fee, and a customer deposit equal to a customer's liability for two months' usage. The Company also proposes a connection fee equal to actual costs plus gross up for taxes except in those instances where a new customer has an existing connection. In such instances that fee would be $50.00.

In an order entered on May 10, 1996, the Commission directed the Company to give notice of its application and to provide the public with an opportunity to comment and request a hearing. The Commission also directed its Staff to file a report detailing its findings and recommendations on or before December 15, 1996.

Staff filed its initial report on December 13, 1996. After receipt of additional financial information, Staff filed a supplemental report on March 28, 1997. In its reports Staff recommended that the Company be granted a certificate of public convenience and necessity and that its proposed rates be approved on a permanent basis. Staff also recommended approval of all the Company's miscellaneous service charges, implementation of specific booking recommendations, and changes in some of the Company's rules and regulations of service.

Specifically, Staff recommended that the Company adopt the Uniform System of Accounts for Class C Water Companies; depreciate all plant at a 3% composite rate; track costs recovered through its management fee; track and record bad debt expense; and make certain booking entries. Staff also recommended that Rule No. 5c be changed to denote customers' liability for the expense associated with the installation of service pipes; that language be added to Rule No. 8 reflect payment of interest on customers' deposits; and that Rule No. 16 be changed to specify minimum required water pressure. Rule No. 3c should be changed to reference Rule No. 12, the proper reference for disconnection of service, and Rule No. 7f denoting owners' liability for tenants' bills should be deleted. In addition, the Company should, in future rate cases, be prepared to submit salary information for all of its employees, whether paid by G.W. or one of its affiliates; maintain time records for each employee; and prepare, in advance, adjustments to its per books numbers as well as be able to verify costs allocated to G.W.

In an April 10, 1997 filing, counsel for G.W. stated that the Company did not take exception to Staff's recommendations as stated in the above referenced reports. Staff counsel stated, in a letter dated April 11, 1997, that acceptance of such recommendations would eliminate any need for the hearing requested in its motion filed on December 26, 1996.

In a letter dated August 29, 1997, the Assistant City Attorney for City of Richmond ("City") noted several concerns regarding G.W.'s operation of the water system within the City; namely, concerns regarding the effect of such water service on the City's bills for waste water treatment provided by the County of Henrico and the location of water system facilities relevant to city-owned streets, rights-of-way and other city property. The City requested the Commission to delay granting a certificate until the City and the Company could resolve such concerns.

In a letter dated February 18, 1998, the Interim Director of Public Utilities stated that the City no longer objects to granting of a certificate to the Company. Attached to that letter was an agreement between the City and G.W. addressing the above referenced concerns.

NOW THE COMMISSION, having considered the Company's application, Staff's reports and the comments thereto, and § 56-265.3 of the Code of Virginia, finds that it is in the public interest to grant G.W. a certificate of public convenience and necessity. We will approve the Company's rates, charges and rules and regulations of service, as modified by Staff, with the exception of the connection fee. We will not approve the tax gross-up portion of the connection fee, as connection fees are no longer subject to federal income tax pursuant to legislation adopted in 1996.[1] In addition, we will adopt Staff's accounting and booking recommendations. Accordingly,

IT IS ORDERED THAT:

(1) G.W. Corporation be and hereby is granted Certificate No. W-288 to provide water service to the Glenwood Gardens subdivision in both the City of Richmond and Henrico County, Virginia.

(2) G.W.'s rates, charges, rules and regulations of service, as modified herein, are hereby approved.

(3) On or before April 1, 1998, G.W. shall file with the Commission's Division of Energy Regulation a revised tariff incorporating the changes in its rules and regulations of service as adopted herein.

(4) The Company shall implement Staff's accounting and booking recommendations.

(5) This case be and hereby is dismissed from the Commission's docket of active cases.

[1] Small Business Job Protection Act of 1996 (Pub. L. No. 104-188, August 20, 1996, 110 Stat. 1755) excludes from taxable income contributions in aid of construction for water and sewer utilities.

CASE NOS. PUE960036 and PUE960296
AUGUST 7, 1998

VIRGINIA ELECTRIC AND POWER COMPANY

1995 Annual Informational Filing

and

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION

Ex Parte: Investigation of Electric Utility Industry Restructuring – Virginia Electric and Power Company

FINAL ORDER

History of the Case

This consolidated case is an outgrowth of a proceeding commenced by the Commission in September of 1995 in Case No. PUE950089 investigating issues associated with possible restructuring and competition in the electric industry in Virginia, and a proceeding concerning Virginia Electric and Power Company's ("Virginia Power" or "the Company") 1995 Annual Informational Filing ("AIF") in Case No. PUE960036.

On November 12, 1996 we established an investigation specific to Virginia Power in Case No. PUE960296, and directed the Company to file, by March 31, 1997, certain information, studies, and analyses addressing a number of matters, including the reasonableness of the Company's rates, the appropriate disposition of any excess earnings, and any alternative regulatory plan the Company wanted considered by the Commission.

In an earlier order in the Company's 1994 AIF, the Commission had directed Virginia Power to file as part of its 1995 AIF, or as part of any rate application filed in lieu thereof, all schedules required by our Rules Governing Utility Rate Increase Applications and Annual Informational Filings reflecting all adjustments permitted by those Rules for a general rate application. Virginia Power submitted its 1995 AIF on June 13, 1996 in Case No. PUE960036.

On March 6, 1997, based upon an agreement between the Company and Staff, we entered a Consent Order in this consolidated docket making Virginia Power's current rates interim and subject to refund as of March 1, 1997.

On March 24, 1997, Virginia Power made a comprehensive filing described as an "Application for Alternative Regulatory Plan" pursuant to § 56-235.2.B of the Code of Virginia and the Commission's November 12, 1996 Order. The Plan as filed consisted of two phases. Under Phase I, the Company's base rates would be frozen at their present level for five years. During that period a portion of the Company's earnings would be applied to the recovery of regulatory assets and, under certain circumstances, to costs associated with contracts with non-utility generators ("NUGs") that might be unrecoverable after a transition from regulation to competition. Phase II would begin after the five-year rate freeze. Any remaining "transition costs" would continue to be recovered from customers for specified periods through what was termed a "Transition Cost Charge."

The Staff filed its report in the Company's 1995 AIF on March 28, 1997. Staff concluded in its report that Virginia Power "is clearly in an overearnings position on both a per books earnings test basis and on a fully adjusted basis." The report further stated that Virginia Power has significant regulatory assets recorded on its books and "may have potentially large levels of strandable costs in the form of uneconomic NUG power contracts." Staff noted that the Commission could decide to "allow the Company to maintain its current rate structure in order to mitigate the recovery risk associated with these costs" or, in the alternative, "order a reduction in rates and use any residual earnings to write-off regulatory assets or to establish a reserve for strandable assets."

In the Order for Notice and Hearing of April 30, 1997, the Commission consolidated Virginia Power's 1995 AIF and the investigation proceeding, and established a procedural schedule for consideration of the issues raised in these two dockets. We addressed a number of matters in that Order, including a procedure for proposed settlements and stipulations. Specifically, we "encourage[d] collaborative and creative efforts on the part of all participants in order to help achieve resolution of issues where possible."

On December 2, 1997, Virginia Power filed a "Motion to Simplify Proceeding" requesting leave to amend its application to eliminate its request for approval of Phase II of its alternative regulatory plan that requested recovery of stranded costs through the "Transition Cost Charge." In reply to responses to its December 2, 1997 motion, Virginia Power amended its motion on December 16, 1997. The Company sought a further amendment to its Plan by withdrawing "Phase I" which featured the five-year rate freeze. The Company stated that "legislative guidance is needed before the transition cost issues in both Phases can be resolved." Protestants filed their direct testimony by December 23, 1997.[1]

By Order of February 13, 1998, we permitted Virginia Power to withdraw its support for its Plan, but ruled that the proposed Plan itself, and any amendments or modifications to it, would continue to be subject to consideration by the Commission in this proceeding, as would any alternative form of regulation proposed by Staff or modifications proposed by others. The Staff filed its initial prefiled testimony on March 24, 1998.

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[1] Protestants filing direct testimony were: Virginia Citizens Consumer Council; Fairfax County Board of Supervisors; Brayden Automation Corp. and Energy Consultants, Inc.; Southern Environmental Law Center; Ogden Martin Systems of Alexandria/Arlington, Inc., and Ogden Martin Systems of Fairfax, Inc.; Virginia Committee for Fair Utility Rates; Appalachian Power Co.; Coalition for Equitable Rates; Apartment & Office Building Ass'n of Metro. Washington; Virginia Independent Power Producers; Division of Consumer Counsel, Office of Attorney General; Doswell Limited Partnership; Multitrade of Pittsylvania County, LP; and Potomac Edison.

Initial Positions of the Parties and Staff

Virginia Power, the Office of Attorney General's Division of Consumer Counsel ("Consumer Counsel"), the Virginia Committee for Fair Utility Rates ("VCFUR"), and the Staff presented testimony on the Company's cost of service and revenue requirement. Their testimony proposed a number of accounting adjustments, and raised issues on capital structure, cost of equity, and similar issues. Although proposing a five-year rate freeze, Virginia Power stated its evidence on revenue requirement supported a rate increase of $34.8 million. Consumer Counsel called for a reduction in rates of $248.7 million, and VCFUR contended the Company's annual revenue requirement should be reduced by $206.6 million. The Staff recommended a $276.8 million reduction in rates.

As directed by our November 12, 1996 Order, Virginia Power conducted jurisdictional and class cost of service studies using six demand allocation methodologies.[2] Staff witness Glenn Watkins examined these methodologies for allocating costs to the customer classes, and relying on these cost studies, Staff witness Walker analyzed the appropriateness of the revenue requirement assigned to each class. Prefiled testimony on allocation was also offered by VCFUR, the Coalition for Equitable Rates ("CFER") and the Apartment and Office Building Association of Metropolitan Washington ("AOBA").

The Proposed Stipulation

Before and after the filing of Staff's testimony, Staff and certain parties engaged in discussions on revenue requirement and revenue allocation in order to attempt to narrow the issues in the case. The Commission granted several extensions for the filing of rebuttal and surrebuttal testimony to accommodate these settlement discussions. On June 8, 1998, the Staff, Virginia Power, Consumer Counsel, VCFUR, and AOBA (collectively "the Stipulating Participants") entered into a Stipulation which proposed to resolve certain rate issues among themselves.

The key elements of the Stipulation include:

(a) A five year plan extending from March 1, 1997 through February 28, 2002;

(b) A refund of $150,000,000 for the 12 months ended February 28, 1998, plus interest;

(c) A rate reduction of $100,000,000 effective March 1, 1998, plus interest and refund;

(d) An additional rate reduction of $50 million, effective March 1, 1999; and

(e) A write-off of regulatory assets during the plan of no less than $220 million, with the potential for additional write-offs depending on the earnings of Virginia Power, and, with certain limited possible exceptions, no new regulatory assets created during the rate period.

The plan provides for write-offs based upon earnings between 10.50% and 13.20%, with two-thirds of such earnings being used for amortization of regulatory assets and one-third applying to shareholder return. Earnings above 13.20% are all allocated to amortization. The plan also provides for adjustment of the range on an annual basis depending upon changes in 30-year Treasury bond rates.

The Stipulation also includes an allocation of the refunds and rate reductions among the customer classes that generally provides for movement toward parity for the various classes. The Stipulation avoids proposal of a particular allocation methodology. It also states that all matters addressed in the Stipulation should be deemed not to have been adopted or rejected by the Commission and should have no precedential effect in subsequent proceedings.

Even though the Stipulation contemplates that rates will remain in effect for the plan period, it provides that the Commission, on its own motion or on the motion of others, may make changes in rates as necessary to protect the public interest. The Stipulation also requires Virginia Power to maintain reliability standards and to meet periodically with the Commission on reliability matters.

Finally, Paragraph 11 of the Stipulation contains a request that should the Commission not intend to approve all aspects of the agreement, that we notify the Stipulating Participants of such intent and allow them ten days to attempt to reach a modified stipulation that addresses our concerns. Paragraph 11 further provides that if no such modified stipulation is reached within the ten days, then the Stipulating Participants, collectively or individually, may withdraw their support of the Stipulation and request a hearing on any issues raised in this proceeding.

By our Order on Proposed Stipulation of June 17, 1998, we established procedures for consideration of the Stipulation. We invited the parties and Staff to file written comments and testimony on any aspect of the Stipulation, and permitted replies to any such comments or testimony. We also continued the public hearing in this matter to July 21, 1998, to receive evidence and further comment on the Stipulation, as well as to consider the appropriate manner for resolving the remaining issues in the case not addressed by the Stipulation.

Positions of the Parties on the Stipulation

The Stipulating Participants all filed comments and/or testimony in support of the Stipulation and urged us to adopt it without modification. Virginia Power also filed rate schedules designed to produce the refunds and rate reductions for each customer class as contemplated by the Stipulation. None of the testimony admitted into evidence at the hearing objected to the proposed rate design.[3]

The Virginia Independent Power Producers, Inc. ("VIPP") also filed comments advocating adoption of the Stipulation, and several other parties filed comments raising substantive questions or concerns about the proposed settlement. CFER contended that the class rate reductions as contained in the

[2] The methodologies reviewed were: average and excess; single coincident peak; twelve coincident peak; summer and winter peak; summer and winter peak and average; and equivalent peaker.

[3] Energy Consultants, Inc. and Bryden Automation Corp. joined in filing testimony addressing certain rate design aspects of the Stipulation, but this testimony was subsequently withdrawn.

Stipulation, while moving toward parity, still fell significantly short of achieving parity.[4] CFER stated its support for the total reduction in rates the Stipulation proposed to achieve, but proposed modifying the Stipulation by reallocating the rate reductions to achieve absolute rate of return parity among the rate classes.

The Southern Environmental Law Center ("SELC") filed comments arguing that the Stipulation will promote uneconomic and inefficient energy consumption. It urged the Commission to modify the Stipulation to require the elimination of certain Virginia Power programs which SELC contends promote inefficient load building. SELC would have us further modify the Stipulation by requiring Virginia Power to allocate $20 million annually from its revenues to fund energy efficiency programs.

The Virginia Citizens Consumer Council ("VCCC") filed reply comments in support of the Stipulation and in opposition to CFER's proposal to the extent it would shift refunds and rate reductions from the Residential rate class to the GS-1 class.

Several parties filed comments suggesting procedures for future consideration of certain remaining issues in this proceeding that were not addressed by the Stipulation. Some parties also filed replies to the comments filed by others.

Commission's Notice to Parties

After reviewing the Stipulation and the comments and testimony filed in response to it, the Commission issued a Notice to Parties on July 16, 1998, that informed all participants of our concern that the GS-1, Churches and Synagogues, and Outdoor Lighting classes did not appear to receive an adequate allocation of the proposed decrease and refunds under the Stipulation. We advised the parties of our intent, should we adopt the Stipulation, to consider a revised allocation of refunds and rate reductions to the benefit of those classes, and we set forth an allocation which differed from that contained in the Stipulation. We provided the Notice to give the Stipulating Participants prior notice of a possible change in the Stipulation and to provide them an opportunity to review, and, if necessary, alter their positions on the Stipulation in keeping, to the extent practicable, with Paragraph 11 of the Stipulation, as well as to give other parties an opportunity to assess their positions on allocation prior to the hearing.

Hearing

At the hearing on July 21, 1998, certain prefiled testimony was admitted into the record without cross-examination upon agreement of the parties.[5] At the start of the hearing, we asked the parties to advise the Commission, if they could, as to their position on the Stipulation under Paragraph 11 in view of our July 16, 1998 Notice. Counsel for the Staff, Virginia Power, Consumer Counsel, VCFUR, AOBA, VIPP, SELC, VCCC, and Potomac Edison presented oral argument. At the close of the hearing, we provided the parties another opportunity to file post-hearing comments to address the alternative for allocation of refunds and rate reductions suggested by the Commission in our Notice.

Post-Hearing

CFER filed comments in support of our proposed modification to the Stipulation for allocation of refunds and rate reductions. Virginia Power, Consumer Counsel, and VCFUR all filed comments reiterating their support for the Stipulation as initially proposed. However, each of these parties stated it would continue to support the Stipulation should the allocations be modified as noticed by the Commission.

AOBA did not state it could accept or that it would withdraw its support of the Stipulation if modified with the allocation change under consideration by the Commission. AOBA acknowledged greater refunds and revenue reductions for the GS-1, Churches and Synagogues, and Lighting classes[6] "might be justifiable." AOBA took exception, however, to the compensating adjustments as they impacted the GS-3 class. AOBA proposed to modify the allocation noticed to the parties by transferring from the Residential class to the GS-3 class a portion of the refund and rate reduction.

Commission Findings

In reaching our findings and conclusions, we have considered the entire record, including the evidence and comments of the Staff and the parties. We find that the Stipulation presents a reasonable plan and that, with the modification of the allocation as discussed below, the plan included in the Stipulation is in the public interest. We find that, based on the record, the rates that will result from the plan adopted herein will be just and reasonable, and that the plan protects the public interest, will not unreasonably prejudice or disadvantage any customer or class of customers, and will not jeopardize the continuation of reliable electric service.

For Virginia Power's customers, the agreement means savings, over a five-year period, that total over $700 million in refunds and rate reductions. Customers will receive in the near future significant refunds totaling well over $150 million and a phased-in rate reduction that when fully implemented will reduce rates by $150 million per year. These measures provide significant economic benefits to the Commonwealth and to its people and businesses. In addition, the requirement of write-offs of at least $220 million of regulatory assets means that ratepayers will not have to pay higher rates for the recovery of these costs in the future. The agreement also provides that the Commission shall ensure that jurisdictional customers receive the benefits of such write-offs.

As an additional safeguard, the plan provides that rate and other changes can be considered if the public interest so requires, and the Commission will continue to monitor and evaluate Virginia Power's rates and operations. As for electric reliability, Virginia Power is required to maintain reliability at levels no less than achieved in the past ten years, and there are additional reliability provisions included in the agreement. We further expect service, not just reliability, to remain at, or exceed, present levels. We recognize that a rate plan could create incentives for Virginia Power to reduce expenses which might adversely impact service to its customers. If we find a deterioration in service, we will not hesitate to act to ensure that service is maintained at least at current standards.

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[4] CFER apparently relied on the results of the average and excess allocation methodology as the basis for evaluating the parity of returns.

[5] The prefiled testimony admitted into evidence consisted of Exhibits 6 through 51.

[6] These are the classes the Commission identified in the alternative allocation included in the Notice to Parties as possibly warranting additional refunds and rate reductions.

The allocation of the refunds and reductions presented in the Stipulation generally makes movement toward parity for the various customer classes. However, after reviewing the allocation, we have determined the allocation of refunds and rate reductions should be adjusted. We will adopt the allocation that was included in our Notice to Parties dated July 16, 1998, which, we note, is amply supported by the prefiled testimony admitted into evidence in this case.[7] In making this finding, we are not adopting any particular cost allocation methodology. We considered all methods and the testimony supporting each, as well as the allocation proposed in the Stipulation and the recommendations and proposals contained in the comments filed before and after the hearing.

We find that the proposal of SELC to modify the Stipulation by requiring Virginia Power to fund $20 million annually for certain energy efficiency programs is an appropriate issue for consideration. We do not, however, adopt it in this proceeding. We cannot find that it is in the public interest to reduce or delay refunds and rate reductions in this proceeding based on the record before us. However, we believe it is appropriate in the future to consider development of new energy efficiency programs and to review for possible modification or elimination existing programs that may tend to promote load growth.

We further find that the Company's method used in designing rates, as evidenced in Exhibit 1 to its comments filed July 2, 1998, is appropriate. Consequently, we will direct Virginia Power to use this method in re-designing rates to reflect the modified class revenue reductions ordered herein.

While the plan, as modified and otherwise adopted herein, determines significant revenue and allocation issues, many complex issues raised in this proceeding remain unresolved. These issues have been, and will continue to be, subject to litigation. In our Order of June 17, 1998, we requested the parties to identify those issues remaining in this docket and to propose new or existing dockets for their ultimate resolution. Parties responding identified both issues generally and specific testimony on those remaining issues. Several parties cited two existing dockets as the appropriate forum for disposition of certain issues: Case No. PUE950089, our proceeding reviewing and considering Commission policy regarding restructuring of and competition in the electric utility industry; and Case No. PUE980138, the proceeding related to independent system operators, regional power exchanges, and retail access pilot programs.

We will direct that prefiled testimony in this docket also be filed in other dockets in the manner as set forth in the Appendix to this Order. Changes and/or additions to these transfers and related issues may be made by the Commission upon motion of Staff or any party in other proceedings, and the Commission may in the future order that changes be made in the issues under consideration in specific dockets. We may also, in the future, establish a new docket for consideration of one or more issues.

IT IS THEREFORE ORDERED THAT:

(1) The regulatory plan for Virginia Power contained in the Stipulation, as modified by the Commission in our Notice to Parties of July 16, 1998, is ADOPTED.

(2) The Company shall file with the Commission revised rate schedules designed to collect annual revenues from each class in the amounts as modified and approved by the Commission herein.

(3) Certain prefiled testimony in this docket shall also be filed in other Commission dockets as set forth in the Appendix to this Order.

(4) On or before November 2, 1998, Virginia Power shall refund, with interest as directed below, all revenues collected from the application of the interim rates which were effective for service beginning March 1, 1997, to the extent that such revenues exceeded the revenues which would have been produced by the rates approved herein.

(5) Interest upon the ordered refunds shall be computed from the date payment of each monthly bill was due during the interim period until the date refunds are made, at an average prime rate for each calendar quarter. The applicable average prime rate for each calendar quarter shall be the arithmetic mean, to the nearest one-hundredth of one percent, of the prime rate values published in the Federal Reserve Bulletin, or in the Federal Reserve's Selected Interest Rates ("Selected Interest Rates") (Statistical Release G.13), for the three months of the preceding calendar quarter.

(6) The interest required to be paid shall be compounded quarterly;

(7) The refunds ordered in Paragraph (4) above, may be accomplished by credit to the appropriate customer's account for current customers (each such refund category being shown separately on each customer's bill). Refunds to former customers shall be made by a check to the last known address of such customers when the refund amount is $1 or more. Virginia Power may offset the credit or refund to the extent no dispute exists regarding the outstanding balances of its current customers, or customers who are no longer on its system. To the extent that outstanding balances of such customers are disputed, no offset shall be permitted for the disputed portion. Virginia Power may retain refunds owed to former customers when such refund amount is less than $1; however, the Company will prepare and maintain a list detailing each of the former accounts for which refunds are less than $1, and in the event such former customers contact the Company and request refunds, such refunds shall be made promptly. All unclaimed refunds shall be handled in accordance with § 55-210.6:2 of the Code of Virginia.

(8) On or before December 30, 1998, Virginia Power shall file with the Staff a document showing that all refunds have been lawfully made pursuant to this Order and itemizing the cost of the refund and accounts charged. Such itemization of costs shall include, inter alia, computer costs, and the personnel-hours, associated salaries and cost for verifying and correcting the refund methodology and developing the computer program.

(9) Virginia Power shall bear all costs of the refunding directed in this Order.

(10) There being nothing further to come before the Commission, this matter shall be removed from the docket and the papers placed in the file for ended causes.

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[7] The Commission has considerable discretion in allocating revenue requirement. See Apartment House Council v. Potomac Elec. Power Co., 215 Va. 291 (1974); Westvaco Corp. v. Columbia Gas, 230 Va. 451 (1986).

NOTE: A copy of the Appendix entitled "Transfer of Testimony and Issues in Cases No. PUE960036 and PUE960296" is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

CASE NO. PUE960072
JANUARY 21, 1998

APPLICATION OF
DELMARVA POWER & LIGHT COMPANY

To revise its cogeneration tariff pursuant to PURPA section 210

ORDER APPROVING APPLICATION

On May 16, 1996, Delmarva Power & Light Company ("Delmarva" or the "Company") filed an application, written testimony and exhibits to support its proposal to modify its cogeneration and small power production rates under Schedule Classification "X" (the "Schedule"). By Order dated August 20, 1996, the Commission docketed the application, established a procedural schedule, and directed Commission Staff to investigate the reasonableness of the Company's application.

Currently under the Schedule, standard energy payments (either time or non-time differentiated) and capacity payments are available to qualifying cogeneration and small power production facilities (collectively, "QFs") of a design capacity of 100 kW or less.[1] Delmarva proposes to continue the same methodology in determining capacity payments; specifically, it would base capacity payments on the avoided fixed cost of a combustion turbine with an assumed two year construction lead time. Capacity payments would be available for contracts ranging in length from three to twenty years. The one modification is that the cost estimate for the avoided cost of building a combustion turbine is lower, so the proposed capacity payments are approximately 15 percent lower than the current payments.

In addition, Delmarva proposes to eliminate the option available to QFs under the cogeneration schedule to lock in avoided energy prices for up to thirty years at fixed rates. FERC regulations implementing PURPA allow QFs to contract for the delivery of energy "over a specified term."[2] Delmarva proposes that, in the absence of a multi-year contract, the specified term be either a term mutually agreed upon by it and the QF or a term of one year. Rates would be subject to review and change by the Commission in recognition of changes in fuel costs and other factors.[3]

The hearing on Delmarva's application was held on February 19, 1997. No intervenors or public witnesses appeared.[4]

Staff presented testimony largely supporting the Company's proposal, with a few minor modifications. Staff recommended that the maximum QF contract term under the Schedule be shortened to five years and the Company agreed with Staff's recommendation.[5] Staff contended, however, that the Company's proposed procedure for determining energy payments for a multi-year contract would be unnecessarily burdensome for small QFs. Staff recommended that the Company be directed to offer five-year payment schedules using annual avoided fuel mixes and heat rates with periodically updated fuel prices.

Staff proposed that either the Company's capacity payments be limited by a five-year maximum contract duration or that they be eliminated, and recommends the latter. Staff stated that either option would have little impact on the Company or its ratepayers because of the relatively low, 100 kW threshold limitation for schedule applicability. Staff stated that it favors the elimination of capacity payments because it believes that developing reasonably reliable estimates of avoided cost may be impossible in light of the uncertainty surrounding the electric industry's future structure. Moreover, Staff stated that no capacity would be avoided by contracts under the proposed cogeneration schedule since the cogeneration schedule covers the period of 1997-1998 and Delmarva's first avoidable capacity will not occur until the middle of the year 2000. Staff noted that few, if any, QFs are likely to pursue contracts under the cogeneration schedule. Further, Staff testified that the Commission should decide cases in a way that will encourage electric utilities to vigorously pursue the mitigation of potential stranded costs.[6]

On May 20, 1997, Hearing Examiner Howard P. Anderson, Jr., filed his Hearing Report. He agreed with Staff's recommendations to reduce the maximum QF contract term to five years and to eliminate capacity payments. The Hearing Examiner noted that the Public Utilities Regulatory Policies Act of 1978 ("PURPA") and the implementing regulations promulgated by the Federal Energy Regulatory Commission, which govern the arrangements between utilities and QFs, do not prescribe the length of planning horizons.[7] The Examiner concluded that since no capacity commitments have been identified as avoidable in the years covered by Service Classification "X," it is "inappropriate to establish or require avoided capacity payments this far in advance of such

[1] At the present time, there are no QFs operating in Delmarva's Virginia service territory.

[2] Delmarva Hearing Report at 5, citing 18 C.F.R. § 292.340 (d)(2).

[3] If a multi-year term is negotiated, the contract would include an initial fixed rate with future adjustments based on a mutually agreeable index.

[4] Commonwealth Chesapeake Corporation had filed a Motion for Leave to Intervene, stating that it is developing a facility in Delmarva's service territory. However, Commonwealth Chesapeake did not file substantive comments and Delmarva's application was uncontested.

[5] See Delmarva Hearing Report at 3.

[6] See id. at 12-14.

[7] 16 U.S.C. § 824a-3; 18 C.F.R. § 292.201 et seq.

tenuously planned capacity additions, especially in light of the uncertainty of the current environment in the electric utility industry." Delmarva Hearing Report at 4. The Examiner also agreed with Staff's recommended procedure contracts having a term of one year or more, and Delmarva accepted Staff's recommendations. Id. at 5-6.

The Examiner further found that:

(i) Delmarva's methodology to determine avoided energy costs should be modified to offer payment schedules utilizing annual avoided fuel mixes and heat rates priced at annually updated fuel prices;

(ii) the Company's proposed customer and meter charges are reasonable and should be adopted; and

(iii) the Company should henceforth file a revised cogeneration schedule on a biennial (rather than an annual) basis, with the next filing due in 1999.[8]

NOW THE COMMISSION, upon consideration of the record and the May 20, 1997 Hearing Report, the comments thereto, and the applicable statutes and rules, is of the opinion that the findings and recommendations of the Hearing Examiner should be adopted with one modification; i.e., capacity payments, as initially proposed by the Company, should be limited to a duration of up to five years.

We note that while we have determined that both the planning horizon and the maximum QF contract term should be for a duration of five years, the two need not necessarily coincide. We have found that the planning horizon and the maximum QF contract duration should be for the same length based on particular facts presented in this case. However, if Delmarva should decide to acquire new capacity during the time period for which the Schedule is effective by building generation or purchasing it through long-term contracts, the Company must advise Staff of such well in advance so that Staff may evaluate whether the Schedule should be revised to reflect such changes.

Accordingly, IT IS ORDERED THAT:

(1) The findings and recommendations of the May 20, 1997 Hearing Report are adopted with one modification, as discussed in the body of this Order.

(2) There being nothing further to be done herein, this matter shall be dismissed from the Commission's docket of active proceedings.

[8] The Hearing Examiner noted that if conditions warrant, the Company may request a deferral at that time. Delmarva Hearing Report at 7.

CASE NOS. PUE960102 and PUE960304
AUGUST 6, 1998

APPLICATION OF
ROANOKE GAS COMPANY

For an Annual Informational Filing

and

APPLICATION OF
ROANOKE GAS COMPANY

For expedited rate relief

FINAL ORDER

On July 9, 1996, Roanoke Gas Company ("Roanoke" or "the Company") completed the filing of its Annual Informational Filing ("AIF") with the State Corporation Commission ("Commission"). Roanoke's AIF was supported by financial and operating data for the twelve months ended March 31, 1996.

On October 25, 1996, after analyzing the Company's data, the Staff filed its report, finding that Roanoke earned above its authorized return on equity range of 11.2% to 12.2%. The Staff concluded that the Company's earnings were sufficient to recover the unamortized balances of rate case expenses, depreciation study costs, franchise costs, liquified natural gas ("LNG") tank painting costs, union contract negotiation costs, union organization costs, and early retirement costs associated with personnel. The Staff recommended that these costs be excluded from Roanoke's future AIFs and rate cases.

On November 15, 1996, the Company filed its response to the Staff's report, objecting to the Staff's use of an earnings test. It also challenged Staff's use of an actual rather than weather normalized calculation of revenues in Staff's earnings test analysis.

On December 2, 1996, Roanoke filed an application with the Commission for expedited rate relief, wherein it proposed to increase its gross annual operating revenues by $959,277.[1] The Company supported its rate request with financial and operating data for the twelve months ended September 30, 1996. In its December 10, 1996 Order, the Commission consolidated the Company's rate application with Roanoke's AIF.

[1] During the hearing, the Company reduced its requested increase in revenues to $602,499.

On December 20, 1996, the Commission entered an Order permitting the Company to implement its proposed tariff revisions and rate increase on an interim basis, subject to refund with interest, for service rendered on and after January 1, 1997. By Order dated January 21, 1997, the Commission assigned a Hearing Examiner to the matter, established a procedural schedule, and set the application for hearing on June 25, 1997.

The matter was timely heard, and the Staff and Company filed simultaneous briefs on August 8, 1997.

The Chief Hearing Examiner issued her report in this matter on April 30, 1998. Based upon the evidence received, the Examiner found that:

1. The use of a test year ending September 30, 1996, is proper in this proceeding;

2. The Company's test year operating revenues, after all adjustments, were $48,263,533;

3. The Company's test year operating expenses, after all adjustments, were $44,749,080;

4. The Company's test year operating income and adjusted operating income, after all adjustments, were $3,514,452 and $3,474,794, respectively;

5. The Company's adjusted test period rate base, updated to March 31, 1997, is $37,683,313;

6. The Company's current rates produced a return on adjusted rate base of 9.221% and a return on equity of 10.150%;

7. The Company's cost of equity is within a range of 10.70% to 11.70%, and rates should be established at the midpoint of that range, 11.20%, and should provide a return on rate base of 9.663%;

8. The Company's current rates are unjust and unreasonable because they will generate a return on rate base of only 9.221%;

9. The Company's requested increase in rates is not just and reasonable based on the reasons identified in the report;

10. The Company requires an increase in gross annual revenues of $260,432 to earn a 9.663% return on rate base;

11. The Company should file permanent rates designed to produce the additional revenues found reasonable herein effective January 1, 1997, to be consistent with Staff's revenue apportionment. The final increase in revenues should be distributed on an equal percentage basis to each volumetric rate block within the rate schedule;

12. The Company should be required to refund, with interest, all revenues collected under interim rates in excess of the amount found just and reasonable herein;

13. The Company should credit the expense accounts originally charged when billing affiliated companies for management services, accounting and billing, rather than recording management fees as revenues; and

14. As recommended by Staff, the Company should capitalize several items, totaling $75,527, which had been expensed by the Company. The Company should book a credit to the appropriate operations and maintenance expense accounts in the current period with a debit to the appropriate asset accounts as agreed to by Company witness Williamson.

The Chief Hearing Examiner recommended that the Commission enter an order adopting the findings in her report, increasing the Company's authorized gross annual revenues by $260,432, and directing the refund with interest of all amounts collected under the interim rates in excess of the rate level found just and reasonable in her report.

Comments on the Hearing Examiner's Report were filed by the Company and Staff. Roanoke filed Comments wherein it further reduced its proposed increase in revenues from $602,499 to $454,307. Among other things, it objected that an earnings test constituted retroactive ratemaking. Alternatively, the Company maintained that if an earnings test was applied, the test should be fully adjusted to include the effects of weather normalization, and the write-off of regulatory assets should be made only with earnings exceeding the top of Roanoke's return on equity range rather than being written off to the bottom of that range. The Company further complained that Staff applied costs in the earnings test twice to the same earnings, and urged the Commission to adopt the other recommendations in the Hearing Examiner's report.

The Commission Staff filed Comments, taking exception only with the Chief Hearing Examiner's recommendation that in applying an earnings test, Roanoke's existing regulatory assets should be deemed recovered to the extent its earnings exceed the top of the Company's authorized return on equity range. Staff supported the use of the bottom of a utility's authorized return on equity range as the appropriate benchmark in an earnings test to evaluate whether regulatory assets – new or existing - have been recovered. The Staff requested the Commission to clarify the Chief Hearing Examiner's description of the appropriate accounting adjustments for an earnings test, and urged the Commission to adopt her other recommendations.

On June 25, 1998, Columbia Gas of Virginia, Inc. ("Columbia") filed its Brief Amicus Curiae.[2] In its Brief, Columbia asserts that Exhibit SCA-15, a letter to all utilities from Ronald A. Gibson, Director of the Division of Public Utility Accounting, constituted an unlawful rulemaking which propounded new rules on how rate cases should be prepared and filed.[3] Columbia further maintains that the Staff's application of an earnings test unreasonably and unfairly excludes a weather normalization adjustment. It contends that Roanoke's previously approved regulatory assets should not be written off to the bottom of the utility's return on equity range. On July 6, 1998, the Staff filed its reply thereto.

Having considered the record, the Chief Hearing Examiner's Report, the Comments thereon, Columbia's Brief, and the reply thereto, the Commission is of the opinion and finds that the findings and recommendations of the Chief Hearing Examiner should be adopted, with the exception of her recommendation that a distinction should be drawn between previously approved regulatory assets and those that are newly created when applying an earnings test. The Examiner recommended that previously approved regulatory assets should be regarded as recovered only with earnings above the top of a utility's authorized return on equity range, while newly created regulatory assets should be written off to the bottom of Roanoke's authorized return on equity range. We decline to adopt the Hearing Examiner's recommendations on these issues for the reasons set out below. Rather, we find that the bottom of Roanoke's authorized return on equity range should be used to evaluate recovery of all regulatory assets.

We turn now to the arguments that: (i) the earnings test should be considered retroactive ratemaking; (ii) the earnings test results should be weather normalized; (iii) the Staff's position letter constitutes illegal rulemaking; (iv) the earnings test has been applied twice to the same earnings; and (v) the top rather than the bottom of the authorized return on equity range should be used as the standard to evaluate whether regulatory assets should be deemed recovered. We will address these arguments seriatim.

Based on the record made herein, we do not find the application of an earnings test to Roanoke's test year earnings to constitute retroactive ratemaking. An earnings test is applied to earnings results within a test period. No refund of revenues previously collected occurs as a result of the application of an earnings test. Rather, the purpose of the earnings test is to evaluate whether regulatory assets on the utility's books during the test period have been recovered more quickly than anticipated or whether they should continue to be deferred and amortized. We affirm the Hearing Examiner's findings on this issue.

Columbia has asserted that the Staff's letter describing its proposed use of an earnings test (Ex. SCA-15) constitutes an illegal rulemaking. This assertion is erroneous. The views stated in Ex. SCA-15 are Staff's and the exhibit's express purpose is to provide guidance to utilities on how the Staff proposes to treat regulatory assets. In our view, the Staff may advocate the application of earnings tests to companies like Roanoke that have regulatory assets on their books. Such activity by the Staff does not constitute rulemaking, but merely the development of additional information about regulatory assets that we may consider. The ultimate disposition of these and other items remains with the Commission.

The Company has also asserted that the results of an earnings test should be weather normalized. As noted earlier, the purpose of an earnings test is to review test period results to determine whether deferred costs were actually recovered more quickly than anticipated. Accordingly, the per books results of the earnings test should not be weather normalized. Instead an earnings test employs per books data for a test period, based on average rate base and investment. Typical adjustments used in an earnings test are those necessary to restate per books results to a regulatory basis, such as adjustments to correct booking errors and inclusion of JDC capital expense and associated tax savings. Removal of out-of-period expense items are made only in limited circumstances and include adjustments necessary to true up a gas utility's purchased gas adjustment or to reverse the effect of an out-of-period base rate refund. Therefore, we agree with the Chief Hearing Examiner that no adjustment for weather should be made to per books results for an earnings test.

Roanoke has argued that the earnings test is being applied unfairly because the test has been applied twice using the same earnings. We disagree and affirm the Examiner's findings on this issue. The test periods for Roanoke's AIF and rate case overlap by six months in this case. The test period for the AIF was the twelve months ending March 31, 1996, while the test period for the expedited rate application was the twelve months ending September 30, 1996. The costs for the deferrals at issue have been applied ratably in this case with one half of the total regulatory assets costs being attributable to the AIF test period ending March 31, 1996, and the other half being applied to the rate case using a test period ending September 30, 1996. Thus, no double counting of these costs has occurred in this case.

The next issue we must address is whether, in applying the earnings test to previously approved deferred expenses, the benchmark is the top or bottom of the range or a point within the range. This question flows from the Appalachian Power case we decided in 1996.[4] In that case we held that in establishing the amount of a deferrable expense for ratemaking, we would apply an earnings test such that the expense was deemed recovered to the extent it could be expensed and the company's return on equity was equal to or greater than the bottom of the allowed range of return on equity.

While Roanoke and Columbia disagree with any application of an earnings test in this case, they assert that, if the test is applied, previously existing regulatory assets should be written off only to the top of the Company's authorized return on equity range. We disagree. Further, as noted in the Staff's reply, the costs associated with the demolition of the retired gas manufacturing plant, the "regulatory asset" that the Examiner, Roanoke and Columbia characterize as previously existing, have not been previously approved for deferral by the Commission. The deferred costs associated with the demolition of the retired gas manufacturing plant were not incurred until after Roanoke's AIF test period, i.e., the twelve months ending March 31, 1996. Ex. SCA-12 at 23-24. Roanoke's costs from the demolition of the retired gas manufacturing plant thus are a newly created regulatory asset, and like the costs for storm damage in the APCO Case, should be written off to the bottom of the range.

In addition, we decline to adopt the Hearing Examiner's "newly created/previously approved" distinction for regulatory assets, but observe that the APCO Case cited by the Examiner would not have demanded a different result in this case had a distinction between old and new regulatory assets been applied. We find that no distinction should be made between previously approved and newly created regulatory assets for the purposes of an earnings test. In our view, the principle of cost recovery should not change depending on whether a regulatory asset is newly created or already exists.

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[2] In an Order dated June 23, 1998, among other things, the Commission granted leave to Columbia to file a brief in the nature of a brief amicus curiae (hereafter "Columbia's Brief").

[3] References to Exhibits shall be cited herein as "Ex. ___".

[4] Application of Appalachian Power Co., For an expedited increase in base rates, Case No. PUE940063, 1996 S.C.C. Ann. Rept. 255 (hereafter "the APCO Case").

Roanoke contends that an earnings test penalizes it for having previously existing regulatory assets on its books. The Company further suggests that if the bottom of the range is used as the benchmark, Roanoke effectively cannot earn above that point. These arguments are without merit. First, Roanoke's AIF demonstrates that the Company can earn above the top of the range after writing off all of its regulatory assets.[5]

Moreover, the Company is not penalized by the use of the earnings test in conjunction with deferrals. Rather, deferral of costs and creation of regulatory assets have benefited Roanoke. A regulatory asset is a current charge that has been deferred with permission from a regulatory authority to be amortized over future periods. Such costs are generally large and nonrecurring and may cause a utility's financial results to be materially and negatively affected when they are currently expensed. By permitting a regulated public utility to defer costs, the utility is afforded an opportunity to recover these costs over future periods. Shareholders benefit from the original deferral of the charges associated with regulatory assets because the deferral increases earnings above what they would have been had no deferral been allowed and the costs expensed. The earnings test simply measures, period to period, whether deferred expenses have been actually recovered more quickly than originally anticipated or whether they should continue to be deferred and amortized. The test is the same used to establish the original amount of the deferral and is fair to both shareholders and ratepayers. If the Company wishes to avoid the earnings test, it need not request and should object to, any proposed deferral of large, nonrecurring expenses.

Based on the foregoing, we find that the Company's regulatory assets, as well as the costs associated with the demolition of the retired gas manufacturing plant, should be written to the bottom of Roanoke's authorized return on equity range, and that the Company requires an increase in gross annual revenues of $237,634 in order to earn a 9.663% return on rate base, rather than the $260,432 in gross annual revenues recommended by the Hearing Examiner.

Accordingly, IT IS ORDERED THAT:

(1) The findings and recommendations of the Chief Hearing Examiner's April 30, 1998 Report, as modified and supplemented herein, are accepted.

(2) The Company shall be granted an increase in gross annual revenues of $237,634, effective for service rendered on and after January 1, 1997.

(3) The Company shall forthwith file revised permanent schedules of rates and charges designed to produce the additional revenues found reasonable herein, effective for service rendered on and after January 1, 1997. The final increase in revenues shall be distributed on an equal percentage basis to each volumetric rate block within each of Roanoke's rate schedules.

(4) On or before November 30, 1998, Roanoke is directed to recalculate, using the rates being established by this Order, each bill it rendered that used, in whole or in part, the interim rates being replaced by the rates established by this Order. In each instance where application of the rates being established by this Order yields a reduced bill to the customer, the Company is directed to refund with interest as directed below, the difference.

(5) Interest upon the ordered refunds shall be computed from the date payment of each monthly bill was due during the interim period until the date refunds are made, at an average prime rate for each calendar quarter. The applicable average prime rate for each calendar quarter shall be the arithmetic mean, to the nearest one-hundredth of one percent, of the prime rate values published in the Federal Reserve Bulletin, or in the Federal Reserve's Selected Interest Rates ("Selected Interest Rates") (Statistical Release G.13), for the three months of the preceding calendar quarter.

(6) The interest required to be paid herein shall be compounded quarterly.

(7) The refunds ordered in Paragraph (4) above may be accomplished by credit to the appropriate customer's account for current customers (each refund category shown separately on each customer's bill). Refunds to former customers shall be made by check to the last known address of such customers when the refund amount is $1 or more. Roanoke may offset the credit or refund to the extent no dispute exists regarding the outstanding balances of its current customers or customers who are no longer on its system. To the extent that outstanding balances of such customers are disputed, no offset shall be permitted for the disputed portion. The Company may retain refunds owed to former customers when such refund amount is less than $1. However, Roanoke shall prepare and maintain a list detailing each of the former accounts for which refunds are less than $1, and in the event such former customers contact the Company and request refunds, such refunds shall be made promptly. All unclaimed refunds shall be handled in accordance with § 55-210.6:2 of the Code of Virginia.

(8) On or before January 20, 1999, the Company shall file with the Staff a document showing that all refunds have been lawfully made pursuant to this Order and itemizing the costs of the refund and accounts charged. Such itemization of costs shall include, inter alia, computer costs, and the personnel hours, associated salaries and costs for verifying and correcting the refunds directed in this Order.

(9) Consistent with Staff's recommendation, Roanoke shall credit the expense accounts originally charged when billing affiliated companies for management services, accounting, and billing rather than recording management fees as revenues.

(10) In accordance with Staff witness Armstrong's recommendations, the Company shall capitalize various items, totaling $75,527, identified at pages 15-16 of Ex. SCA-12, which have been expensed by Roanoke. The Company shall book a credit to the appropriate operations and maintenance expense accounts in the current period with a debit to the appropriate asset accounts, as agreed to by Company witness Williamson.

(11) Roanoke shall file an earnings test with the Commission if it seeks to establish any new regulatory assets.

(12) Roanoke shall file an earnings test with its next AIF or rate application if the Company has regulatory assets on its books at the time of its filing.

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[5] Even after the write-off of all of the Company's regulatory assets present on its books for the twelve months ended March 31, 1996 (the test period for Roanoke's AIF), the Company earned a 12.79% return on equity when its authorized range was 11.2% to 12.2%.

(13) There being nothing further to be done herein, this matter shall be dismissed, and the papers filed herein made a part of the Commission's file for ended causes.

CASE NO. PUE960117
JANUARY 21, 1998

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

To revise its cogeneration tariff pursuant to PURPA section 210

ORDER APPROVING APPLICATION

On July 31, 1996, Virginia Electric and Power Company ("Virginia Power" or "the Company") filed an application, along with supporting written testimony and exhibits, to modify its cogeneration and small power producer rates under Schedule 19.[1] By Order dated August 20, 1996, the Commission docketed the proceeding, established a procedural schedule, and directed Commission Staff to investigate the reasonableness of the Company's application.

Hearings were held on December 12, 1996 and January 30, 1997, before Hearing Examiner Deborah V. Ellenberg. Three public witnesses appeared at the December 12, 1996, hearing. At the January 30, 1997 hearing, counsel appeared on behalf of Virginia Power, Commission Staff, Appomatox Cogeneration Limited Partnership ('ACLP"), Ogden Martin Systems of Alexandria/Arlington, Inc. ("OMSAA"), and the City of Richmond ("Richmond"). In addition, Westvaco Corporation ("Westvaco") and Chesapeake Paper Products Company ("Chesapeake") filed Notices of Protests and Protests in this proceeding; at the hearing, both companies supported the testimony presented by ACLP's witness.

Virginia Power proposes to revise its energy and capacity payments based on reducing the planning horizon from thirty years to five years. Specifically, the Company proposes to use a planning period running from 1997 through 2001, which is the first five years of its 1996 Integrated Resource Plan. The Company also proposes to reduce the maximum term for contracts executed under Schedule 19 from thirty years to five years. Virginia Power contends that a shorter maximum contract term and a shorter planning horizon are necessary to reduce the Company's exposure to excessive avoided cost payments and stranded costs associated with a more competitive electric utility environment and technological advances.

Commission Staff generally supports the Company's proposal, with certain modifications. Staff witness Lamm recommended either a maximum contract length of five years or the complete elimination of avoided capacity cost payments, and favored the latter. Mr. Lamm testified that given the uncertainty in the electric industry and the low availability threshold of 100 kW, it is reasonable to assume that purchases from QFs will not allow the Company to avoid capacity costs. Mr. Lamm expresses concern that the Commission decide cases in a way that will encourage electric utilities to vigorously pursue the mitigation of potential stranded costs. Hearing Report at 2. Staff witness Eichenlaub presented testimony on the Company's use of the differential revenue requirement ("DRR") methodology to estimate avoided energy costs. Id. at 2-3.

ACLP, Westvaco and Chesapeake offered the testimony of Dr. Roy J. Shanker. Dr. Shanker asserts that the proposed revisions would understate the value of QF capacity and recommended that the Company be directed to file a new tariff based on its long-term plans. Dr. Shanker also recommends that the Company's avoided energy cost rates be recalculated using a smaller displacement block and without assuming 600 MW of economy energy purchases. Id. at 3. On behalf of OMSAA, Richard G. Haddon contends that Virginia Power should be directed to modify the methodology used in calculating avoided energy charges to correct for the Company's overemphasis on the displacement of coal-fired generation. In addition, Mr. Haddon has concerns about the Company's practice of basing the fuel mix on average annual levels of generation and spot market prices, and about its proposal to pay non-firm rates for electric power delivered in excess of the upper limit capacity factors.[2]

On September 18, 1997, the Hearing Examiner issued her Hearing Report. She recommended that Virginia Power's application be approved, with two modifications discussed below. First, the Hearing Examiner rejected the Company's proposal to shorten the maximum QF contract term to five years. The Hearing Examiner reasoned that while a five-year contract term would certainly protect ratepayers, it would discriminate against small QF operators because it would deny them the ability to establish a revenue stream over a reasonable contract term. Instead, the Hearing Examiner found that a ten-year term would better balance the mandates of PURPA. Second, the Hearing Examiner rejected the Company's proposal to shorten its planning horizon to five years, finding that a ten year planning horizon would be practicable and comport with FERC regulations implementing PURPA. Id. at 6-11.

In addition, the Hearing Examiner found that:

(i) Virginia Power should reduce the assumed displacement block of capacity (used in calculating energy payments) from 200 MW to 100 MW.

(ii) The Company's assumption in its resource projections that 600 MW of economy energy purchases will be made during each year of the planning period is reasonable.

(iii) The Company's pricing assumptions for economy purchases are reasonable.

(iv) The fuel mixes and prices used by the Company in its filing are reasonable.

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[1] The Public Utility Regulatory Policies Act of 1978 ("PURPA") and the implementing regulations promulgated by the Federal Energy Regulatory Commission ("FERC") require electric utilities to purchase energy and capacity made available by qualifying cogeneration or small power production facilities at, but not in excess of, the utility's avoided costs of alternative energy. See 16 U.S.C. § 824a-3; 18 C.F.R. § 292.201 et seq.

[2] Id. at 4. On rebuttal, a Virginia Power witness agreed with Mr. Haddon's latter suggestion.

(v) The Company should be directed to revise its cogeneration schedule's monitoring provisions to comply with the Commission's order on this matter.[3]

(vi) It is not reasonable to maintain the previously-approved payment levels until after restructuring issues are resolved.

(vii) Where appropriate, payments made under the interim rates should be adjusted with revised payments made for power purchased under Schedule 19 subsequent to January 1, 1997; and

(viii) Absent repeal of PURPA, Virginia Power should be directed to investigate and present in its next Schedule 19 case alternative approaches of determining avoided energy costs.[4]

The Hearing Examiner recommended that the Company be required to file a revised Schedule 19 that reflects the findings of the final order issued in this proceeding within 60 days of the issuance of the final order.

Comments and exceptions to the Hearing Report were filed by ACLP, OMSAA and Virginia Power. ACLP asserts that the Examiner should have rejected Virginia Power's revisions to Schedule 19 in their entirety, reinstate the previously-approved Schedule 19, and direct the Company to file a new cogeneration schedule that "complies with the minimum requirements of PURPA." ACLP Comments at 2. ACLP argues that, alternatively, the Commission should direct the Company to revise Schedule 19 using a 5 MW displacement block, rather than the 100 MW displacement block recommended by the Examiner. ACLP argues that the Examiner's conclusion that a 100 MW block should be used rests on two erroneous assumptions; specifically: (1) that anything smaller than 100 MW "would be drowned in program noise;"[5] and (2) that purchases in blocks smaller than 100 MW are not feasible. ACLP argues that the record is clear that nothing prevents Virginia Power from purchasing electricity in blocks of any size and that a 5 MW displacement block would be rationally related to the size of QFs that may execute contracts under Schedule 19.

OMSAA asserts that the Company's approach to projecting the displaced fuel mix neither represents how the Company operates its system, nor reflects the true cost of energy avoided through QF purchase. OMSAA argues that the displaced fuel mix should be based on the cost of energy purchased or generated at the margin. OMSAA contends that the Company's projections of the fuel mix are skewed since coal units are treated as marginal units while, at the same time, more expensive generation is modeled as continuing to operate for a significant number of hours. OMSAA Exceptions at 4-9. OMSAA asserts that Staff dismissed OMSAA's argument that the Company's results were skewed merely because the Company used an acceptable methodology. Id. at 7-9. OMSAA also argues that the Company's increasing reliance on coal-fired capacity is not representative of actual systems operations. OMSAA contends that the Company's projections almost double the percentage of displaced fuel mix attributable to coal-fired generation, but the Company provides no evidence that such a change in the mix of generation on its system actually has occurred. Id. at 10-12. OMSAA suggests that the Commission establish a threshold above which differences between the Company's actual operating conditions and the assumptions on which the fuel projections are based would trigger the need for an "update." Id. at 12-15. OMSAA supports the Examiner's recommendation that Virginia Power be directed to investigate alternative means of determining avoided energy costs. OMSAA contends that, at a minimum, Virginia Power should be required to modify its methodology to "more accurately reflect real-world operations." Id. at 15.

Virginia Power states that while it disagrees with certain of the Examiner's recommendations, it does not oppose the implementation of rates under Schedule 19, as modified by the Examiner's recommendations, solely for the purposes of this proceeding. Virginia Power states that it continues to believe that the length of both the planning horizon and the maximum contract term should be five years. Virginia Power also states that it believes it should continue to use a 200 MW block in calculating its avoided energy costs because that is "approximately equal to the size of the smallest capacity increment that the Company would add to its system in the base case expansion plan."[6]

NOW THE COMMISSION, upon consideration of the record and the Examiner's September 18, 1997 Hearing Report, the comments and exceptions thereto, and the applicable statutes and rules, is of the opinion that the findings and recommendations of the Examiner should be adopted, with two modifications. Specifically, we decline to adopt the Hearing Examiner's recommendation that a ten-year planning horizon and a ten-year maximum contract term be required for the reasons discussed below.

With respect to the appropriate planning horizon, we agree with the Hearing Examiner that a shorter planning horizon is necessary. We disagree, however, that a ten-year planning horizon should be used given the uncertainty in the electric industry and the reality of the way the Company currently conducts its planning. Instead, we find that the Company may use a five-year planning horizon.

With respect to the maximum length of QF contracts, we decline to adopt the Hearing Examiner's recommendation that the maximum contract term under Schedule 19 be reduced to a period of ten years. We recognize, as the Hearing Examiner points out, that PURPA is still the law and that Section 210 of PURPA requires the Commission to encourage cogeneration as well as to maintain ratepayer neutrality. Further, we share the Hearing Examiner's concerns about the impact on small QFs (100 kW or less) of reducing the maximum contract length. We find, however, that a maximum contract term of five years is appropriate based on the Company's stated intention to acquire capacity in the next few years through purchases under short-term contracts not exceeding five years rather than to build capacity or enter into long-term contracts.

In view of the two modifications to the Hearing Report discussed above, we accept the Company's proposed capacity payments as reasonable. Additionally, we note that while we have found in this case that the planning horizon and the maximum contract should be the same length (five years), the duration of the two are independent of each other. Should Virginia Power subsequently change its plans for meeting anticipated load growth and decide to

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[3] See Application of Virginia Electric and Power Company for authority to implement a qualifying facility monitoring program, Case No. PUE960090 (June 13, 1997).

[4] Hearing Report at 15-16.

[5] ACLP Comments at 5. See Hearing Report at 12, citing Exh. DRE-6 at 6.

[6] Virginia Power Response at 3, citing Exh. DJG-11 at 8.

enter into one or more power purchase contracts in excess of five years or to build generation, the Company is hereby advised that it must notify Staff well in advance of any changes so that Staff may then evaluate whether Schedule 19 should be revised to reflect the changed plans.

We agree with the Hearing Examiner's recommendation that the size of the assumed displacement block of capacity used in the DRR methodology of estimating avoided costs should be 100 MW. Currently, the Company uses a displacement block of 200 MW. ACLP's witness, Dr. Roy Shanker, argued that a 5 MW block should be used because, among other reasons, the use of a 200 MW block results in understated capacity payments. Staff witness Eichenlaub testified that a 5 MW block should not be used because it would be too small to be meaningful in the DRR analysis. Mr. Eichenlaub stated that the currently-used size block of 200 MW is appropriate but that, if a reduction is required, the minimum block size should be 100 MW. He explained that, generally, purchases are fractions or multiples of 100 MW and this block size is consistent with biennial utility filings required by the FERC.

Upon consideration of these differing points of view, we find that the use of a 100 MW block is a reasonable compromise and is reflective of the changes in the way the Company anticipates meeting its load growth in the next few years.

Finally, we agree with Staff and the Hearing Examiner that an alternative to the DRR methodology should be examined. Accordingly, we direct Virginia Power and the Staff to consider alternative methodologies for determining energy and capacity payments and to present such alternatives in the Company's next Schedule 19 proceeding.

Accordingly, IT IS ORDERED THAT:

(1) The findings and recommendations of the September 18, 1997 Hearing Report, as modified and supplemented herein, are hereby adopted.

(2) Virginia Power and Commission Staff shall consider alternative methodologies to the DRR methodology and present their proposals in the Company's next Schedule 19 proceeding.

(3) There being nothing further to be done herein, this matter shall be dismissed from the Commission's docket of active proceedings.

CASE NO. PUE960129
NOVEMBER 19, 1998

APPLICATION OF
PELHAM MANOR WATER SUPPLY COMPANY, INC.

For a certificate of public convenience and necessity

FINAL ORDER

On August 16, 1996, Pelham Manor Water Supply Company, Inc. ("Pelham Manor" or the "Company"), filed its initial application requesting a certificate of public convenience and necessity to provide water services to the Pelham Manor Estates subdivision located in Culpeper County, Virginia. The Company subsequently raised the issue of whether it was subject to the Commission's jurisdiction or whether it was exempt from regulation pursuant to the "grandfathering" exemption detailed in § 13.1-620 G.[1]

In an Order entered on March 26, 1997, the Commission determined that the Company was subject to the Commission's jurisdiction and directed the Company to proceed with its application for certification. By order entered on February 9, 1998, the Commission granted Staff's motion for hearing; appointed a Hearing Examiner; and established a procedural schedule for this case.

A hearing was held on June 3, 1998, before Hearing Examiner, Michael D. Thomas. Marta B. Curtis appeared as counsel for the Commission Staff, and the Company appeared pro se by its president, David K. Travers.

There were several issues in controversy at the hearing. There were accounting issues relating to the recovery of costs associated with the late payment of bills, the payment of federal income tax, and an issue regarding whether it was appropriate to guarantee a dividend to the Company's owner. There were also issues relating to the Company's proposed rules and regulations of service; namely, the appropriate late payment fee and a proposed rule that would prohibit lawn watering, car washing, and pool filling by the Company's customers.

On August 31, 1998, the Hearing Examiner issued his Report. In that Report, the Examiner found that:

(1) The Company should be granted a certificate of public convenience and necessity to provide water service to the Pelham Manor subdivision;

(2) The $21.00 per month water rate proposed by the Company is just and reasonable;

(3) Staff's disallowance of federal income taxes is proper since the Company, as a Subchapter S corporation, incurs no tax liability as part of its cost of operation;

(4) Staff's accounting and recordkeeping recommendations as detailed in Staff witness Cozad's prefiled testimony appear to be reasonable;

(5) A partial restriction on lawn watering and car washing should be approved. Such restriction would permit lawn watering and car washing prior to 7:30 a.m. and after 7:30 p.m., Monday through Sunday; and

[1] Section 13.1-620 G provides an exemption for a "water or sewer company incorporated before and operating a water or sewer system on January 1, 1970."

(6) A 1.5% per month late fee is proper.

The Examiner did not address the issue of whether it was appropriate for the Company to have a guaranteed return on rate base. He noted, instead, that the issue that needs to be addressed is whether the Company's revenues generate sufficient cash flow to meet the Company's current and anticipated expenses.

The Examiner recommended that the Commission enter an order that adopts the findings of his Report; issues the Company a certificate of public convenience and necessity; and fixes the Company's rate at $21.00 per month for residences receiving water service and $15.00 per month for residences that are connected to the system but are not receiving water service, effective as of July 1, 1996. The Examiner also recommended that such order require the Company, within sixty (60) days of the Commission's final order in this proceeding, to submit to the Virginia Department of Health ("VDH") plans and specifications to bring its water system into compliance with VDH regulations.

By Order entered on September 15, 1998, the Commission granted the Company's request to extend the date for filing comments on the Hearing Examiner's Report until September 30, 1998. Such comments were filed on September 28, 1998.

In its comments, the Company, among other things, took exception to the Examiner's findings with respect to the recommended water restriction and late payment fee. It was the Company's position that the watering restriction proposed by the Company should be adopted. It was the Company's further position that the $5.00 late payment fee proposed by the Company should be adopted and that the Commission should initiate an investigation to address the appropriateness of the late fees authorized in its January 10, 1977 Order in Case No. 19589.

NOW THE COMMISSION, having considered the record, the Examiner's Report and the comments thereto, is of the opinion and finds that the Examiner's findings and recommendations should be adopted with the exception of the modifications detailed herein. We will impose no bar or restrictions on water use at this time. The evidence shows that the problem with the water system is with distribution, not the availability of water. Without a greater showing than presented here, the Company may not impose restrictions on its customers.

In addition to adopting the Examiner's recommendation regarding plans to be submitted to VDH, we will require the Company to submit to the Commission's Division of Energy Regulation a detailed plan regarding a proposed solution that will adequately address the problem of maintaining system reliability. Such plan shall be submitted within 90 days from the date of this Order and shall include, at a minimum, a copy of the engineering specifications and plans submitted to the VDH, the expected cost and date of implementation, financing plans, and the anticipated impact on rates. If the Company is unable to have its plan implemented by next summer, it may petition the Commission for permission to implement reasonable water usage restrictions since usage problems of concern to the Company mostly occur in the summer.

Although the issue of federal income tax was not raised in the Company's comments and exceptions, it was raised at the hearing. We note that, for federal income tax purposes, Pelham Manor is an S Corporation. Therefore, the Company does not have an income tax liability; rather the income of the Company is included in the personal income tax return of the owner. Mr. Travers asserted that cost of service should include a federal income tax expense allowance for the tax he must pay personally. In 1995, Mr. Travers elected to switch from a C Corporation to an S Corporation, thereby transferring the liability associated with Pelham Manor's taxable income from the corporation to himself. The tax rate differs for an S Corporation compared to a C Corporation, and filing as an S Corporation can provide benefits to the owner. It should also be noted that the decision to switch was Mr. Travers', and he may change his election in the future pursuant to the IRS Code as it suits his circumstances. We agree with the Hearing Examiner and Staff that the tax adjustment requested by Mr. Travers should not be part of the Company's cost of service. Accordingly,

IT IS ORDERED THAT:

(1) The findings and recommendations of the Hearing Examiner, as modified herein, are accepted.

(2) Pelham Manor shall be granted Certificate No. W-292 to provide water service to the Pelham Manor subdivision in Culpeper County, Virginia.

(3) Pelham Manor is hereby authorized to charge its customers $21.00 per month for residences receiving water service and $15.00 per month for residences that are connected to the system but not receiving water service, effective July 1, 1996.

(4) Pelham Manor is authorized to charge a 1 ½% per month late payment fee.

(5) Within sixty (60) days from the date of this Order, the Company shall submit to VDH plans and specifications to bring its water system into compliance with VDH regulations.

(6) On or before 90 days from the date of this Order, the Company shall submit to the Commission's Division of Energy Regulation, a plan to address the above referenced service problem. Such plan shall include, at a minimum, a copy of the plans submitted to VDH and the additional details referenced herein.

(7) The Company shall implement Staff's accounting and recordkeeping recommendations.

(8) Within 60 days from the date of this Order, the Company shall file with the Division of Energy Regulation a tariff incorporating the revisions approved herein.

(9) This case is hereby dismissed from the Commission's docket of active cases and the papers placed in the file for ended causes.

CASE NO. PUE960132
FEBRUARY 25, 1998

APPLICATION OF
BUILDING AND REMODELING, INC., d/b/a WALNUT ACRES WATER SYSTEM

To discontinue service pursuant to Va. Code § 56-265.1(b)(1)

FINAL ORDER

On July 24, 1996, Building and Remodeling, Inc., d/b/a Walnut Acres Water System ("the Company") filed an application with the State Corporation Commission pursuant to § 56-265.1(b)(1) of the Code of Virginia to discontinue water service to its ten customers in Fieldale, Virginia. The Company's application stated that, because of the incapacity of its owner and operator, it could no longer provide its customers with water service.

By order dated September 16, 1996, the Commission established a procedural schedule requiring the Company to provide notice of its application, inviting comments or requests for hearing on the application, and directing the Staff to file a report by December 17, 1996.

The Staff filed a report on December 17, 1996. In its report, Staff noted that the Commission had received one letter requesting a hearing and one other letter of protest. Staff explained that it had arranged for a January 8, 1997 meeting with the Company and its customers to consider alternative water supply options. Staff filed a second report on February 19, 1997, wherein it reported that the parties were unable to resolve the issue. Staff concluded that: (1) the Company's owner could no longer operate the system; (2) the owner's heirs could not operate the system indefinitely; (3) the Company had made a good faith effort to find another owner/operator for the system; (4) the Company had offered to give the system to its customers; (5) the customers operating the water system themselves was a viable water supply alternative; and (6) customers digging wells may also be a viable alternative.

By order dated March 5, 1997, the Commission issued a procedural schedule for the provision of filing of testimony and exhibits, and set the matter for hearing before a Hearing Examiner.

A public hearing was held on May 28, 1997 before Hearing Examiner Howard P. Anderson Jr. Counsel appearing were Frances H. Monday for the Company, and Marta B. Curtis and C. Meade Browder Jr. for the Commission Staff. There were no public witnesses.

At the hearing, the pre-filed testimony of the Staff and the Company were presented without cross-examination. Counsel for the Company also presented an agreement between the Company and nine of its ten customers whereby those customers agreed to take over the system and provide service to all customers in the subdivision. The Company also presented a copy of a deed of gift conveying the system to the nine customers and incorporating the agreement.

Counsel for the Company explained that each of the nine customers had signed the agreement and deed of gift. Counsel represented that the nine customers had been operating the system for over two months. They had transferred the electric utility account for the system into their names; had been collecting payments (in escrow) for water service; and had been providing service to, and receiving payment from, the one customer who chose not to join the agreement and deed of gift accepting the system.

On January 7, 1998, the Hearing Examiner filed his Report in which he found the application to abandon the system should be approved.

NOW THE COMMISSION, having considered the Examiner's Report, the record, and § 56-265.1(b)(1) of the Code of Virginia, is of the opinion that the Examiner's finding and recommendation is reasonable and should be adopted.

IT IS THEREFORE ORDERED THAT:

(1) The finding and recommendation of the Hearing Examiner, as detailed in his January 7, 1998 Report, are hereby adopted.

(2) The Company's application to discontinue water service pursuant to § 56-265.1(b)(1) of the Code of Virginia is APPROVED.

(3) The transfer of the system shall be made pursuant to the terms of the agreement and deed of gift entered into by the Company and its customers.

(4) This case is dismissed from the Commission's docket of active cases and the papers be placed in the file for ended causes.

CASE NO. PUE960224
AUGUST 5, 1998

APPLICATION OF
COMMONWEALTH CHESAPEAKE CORPORATION

For approval of expenditures for new generation facilities pursuant to Va. Code § 56-234.3 and for a certificate of public convenience and necessity pursuant to Va. Code § 56-265.2

FINAL ORDER

On September 17, 1996, Commonwealth Chesapeake Corporation, predecessor to Commonwealth Chesapeake, L.L.C. ("Commonwealth Chesapeake" or the "Company") filed an application seeking approval and certification of a proposed generating facility ("Facility") to be constructed in Accomack County, on the Eastern Shore of Virginia. The Facility would operate as an independent power producer ("IPP") and sell power at wholesale to

utilities operating within the Pennsylvania-New Jersey-Maryland Interconnection ("PJM"). It will be oil-fired and consist of three simple cycle combustion turbines with an aggregate nominal rating of approximately 300 MW.

The Company requests: (i) a certificate of public necessity and convenience ("certificate") for the Facility pursuant to § 56-265.2 of the Code of Virginia; (ii) approval under § 56-234.3 for the expenditures for the construction of the Facility; (iii) clarification that any entity that lends money, credit or services to the Company is not thereby rendered a utility or public service company under Virginia law; (iv) a declaration that the granting of a lien or a security interest in the Company's assets does not require Commission approval; and (iv) exemption from Commission jurisdiction under Chapter 1, Article 5; Chapter 3; Chapter 10, Articles 1.1, 2, 2.1, 3 and 4 of Title 56 of the Virginia Code.

Recently, the General Assembly amended § 56-265.2, effective March 13, 1998, to add new subsection B. The new § 56-265.2 B relaxes the standard for the issuance of a certificate authorizing "the construction and operation of electrical generating facilities, which shall not be included in the rate base of any regulated utility whose rates are established pursuant to Chapter 10 (§ 56-232 et seq.) of Title 56" provided certain criteria have been met.[1] In light of the above amendment to § 56-265.2, the Company filed testimony on March 26, 1998, changing its request for a conditional certificate to a non-conditional certificate.

On July 10, 1998, the Hearing Examiner issued his Report. He found that the Facility will meet the requirements of the applicable statutes and recommended that the Commission issue a certificate for Commonwealth Chesapeake's proposed facility. More specifically, the Examiner found that the Facility is subject to the requirements of § 56-265.2 B and meets the criteria of that subsection in that the Facility would: (1) have no material adverse effect on the rates paid by ratepayers in the Commonwealth; (2) have no adverse impact upon the reliability of electric service provided by any Virginia utility; and (3) would not "be otherwise contrary to the public interest."

In considering whether the Facility would not be otherwise contrary to the public interest, the Hearing Examiner found that the public interest involves an analysis of several traditional factors, as well as the effect of a proposed facility on the environment as provided for in § 56-265.2 B and § 56-46.1.[2] He stated that a determination of the public interest involves, at a minimum, consideration of: (i) the environmental impact of the Facility; (ii) the need for the Facility; (iii) the technical and financial viability of the developer and project; (iv) the effect of the Facility on economic development within the Commonwealth; and (v) any improvements in service reliability resulting from the Facility. The Hearing Examiner found that all of the public interest factors, with the exception of the impact of the Facility on the environment, should be weighted positively. He found that, even though the various state and local agencies responsible for issuing the necessary environment permits found that the Facility would create no significant problems,[3] the Facility likely will negatively affect the environment since "it is undisputed that NOx emissions from the facility will be over 1,200 tons per year."[4] Nonetheless, the Hearing Examiner weighed the several public interest factors and concluded that the benefit from the other public interest factors will sufficiently offset the adverse impact of the Facility on the environment with the result that the Facility is "not otherwise contrary to the public interest."

The Hearing Examiner recommended that the certificate be granted subject to the following conditions: (i) the Facility must be placed in service within three years of the issuance of the certificate; (ii) the Company must purchase the 100-acre buffer surrounding the plant;[5] and (iii) the Company must enter into interconnection and purchase power agreements with Delmarva and PJM as required to permit the dispatch of the Facility by PJM, or, alternatively, with ODEC, before placing the plant into service.

The Hearing Examiner also recommended that the Commission grant the Company's request to be exempted from the provisions of Chapter 10, including § 56-234.3. The Hearing Examiner found that § 56-265.2 B allows the Commission to exempt an IPP from ratemaking and regulatory requirements of Chapter 10 without limiting the Commission's general regulatory duties and powers. Therefore, he recommended that the Commission grant the requested waiver since the competitive PJM market should provide the public with increased protection against the consequences of an inefficient power producer, but require that the Company be subjected to reporting requirements established in a prior IPP certification case.[6]

Mr. George Bailey filed comments on the Hearing Examiner's Report. He maintains that there is no current need for additional generating facilities on the Eastern Shore, the Facility is not necessary to improve service reliability, and the Commission should not issue a certificate for the Facility. Mr. Bailey reiterates his concern about the impact of the Facility on the environment and requests that, if a certificate is issued for the Facility, the Commission require the use of SCR technology to reduce the NOx impact and eliminate any impact on ground water resources.

Commonwealth Chesapeake also filed comments. It states that it strongly concurs with the Hearing Examiner's analysis and conclusions, with the exception of the Examiner's finding that the Facility will have a negative environmental impact. By way of making a "clarifying observation," the

[1] Specifically, § 56-265.2 B provides that the Commission may issue a permit for such a facility if it finds that the generating facility and the associated facilities: (i) will have no material adverse effect upon the rates paid by customers of any regulated public utility in the Commonwealth; (ii) will have no material adverse effect upon reliability of electric service provided by any such regulated public utility; and (iii) are not otherwise contrary to the public interest.

[2] Section 56-265.2 B requires the Commission, in reviewing a petition for issuance of a certificate under this subsection, to "give consideration to the effect of the facility and associated facilities . . . on the environment and establish such conditions as may be desirable or necessary to minimize adverse environmental impact as provided in § 56-46.1." Section 56-46.1 requires the Commission to give consideration to the proposed facility's effect on the environment and to "establish such conditions as may be desirable or necessary to minimize adverse environmental impact."

[3] In particular, the Examiner noted that the Virginia Department of Environmental Quality ("DEQ") issued a required air permit that was appealed by four citizens to the United States Environmental Protection Agency ("EPA"), and the EPA upheld the DEQ's award of the permit.

[4] Hearing Examiner's Report at 17.

[5] In its application, the Company stated that it would purchase up to 100 acres of surrounding woodland to provide a visual buffer. Subsequently, the Company suggested that the purpose of the buffer might be accomplished with less than the full 100 acres.

[6] See Application of Doswell Limited Partnership, For a certificate of public convenience and necessity and, if applicable, for approval of expenditures for new generating facilities, Case No. PUE890068, 1990 SCC Ann. Rept. 297.

Company argues that the Hearing Examiner's assessment of the evidence concerning the impact of the Facility on the environment is flawed. For example, the Company takes issue with the Examiner's statement that it is undisputed that the Facility will emit 1,200 tons per year of NOx. The Company states that the estimate of 1,200 tons per year contemplates that the Facility will operate 2,000 hours per year and "[n]o one, least of all the Company, expects that this facility will be dispatched as a source of generation for anything approaching that number of hours per year."[7] Further, the Company points out that the Facility will be a source of peaking power and asserts that most of the time the Facility will be dispatched in lieu of older, less efficient plants that produce higher levels of emissions. The Company concludes that "the result necessarily must be lower emission levels than otherwise would be the case."[8]

In addition, the Company requests what it characterizes as "minor" modifications to two of the conditions recommended by the Examiner. First, the Company states that while it has committed to providing an "absolute visual buffer to ensure that the proposed plant will not be visible from any existing residential or commercial structure,"[9] it may be able to fulfill this commitment by purchasing something less than the 100 acres for which it has acquired an option to purchase. The Company requests that the condition be expressed "in terms of the desired objective as opposed to the purchase of specified acreage."[10] Second, it requests that the wording of the Hearing Examiner's recommendation that the Company be required to enter into interconnection and purchase power agreements with Delmarva and PJM prior to placing the Facility into service be changed to require the Company to become a signatory to the PJM Operating Agreement. The Company states that the purpose of the Examiner's recommendation can best be attained by its becoming a member of PJM because, in so doing, it will in effect be executing an interconnection agreement with PJM.

NOW THE COMMISSION, upon consideration of the record, the Hearing Examiner's Report, and the applicable statutes, is of the opinion and finds that the findings and recommendations of the Hearing Examiner are reasonable and should be accepted, as modified herein.

We fully appreciate the public witnesses' and Protestant Bailey's concerns about the impact of the Facility on the environment. Nevertheless, we have considered all the facts of this case and find that the Hearing Examiner's analysis of the statutory requirements and application thereof to the facts of this case is well reasoned. More specifically, we agree with the Hearing Examiner that the applicable statutes require us to consider a number of factors affecting the public interest and that the public interest factors should be positively weighted, with the exception of the impact of the Facility on the environment. We also agree with the Hearing Examiner that, on balance, the benefits to the public that will be gained from the Facility will outweigh its adverse impact on the environment. Moreover, as the Company points out, it is unlikely that the plant will operate the allowable 2,000 hours per year, and thus the level of emissions should be proportionately reduced.

The Company's requested modification with respect to the buffer has merit. The Company may be correct in its assertion that an appropriate buffer may require something less than 100 acres. Therefore, we require the Company to promptly propose a specific buffer to the Staff. The proposed buffer must be substantial and constitute the "absolute" visual buffer that the Company has committed to provide.[11] More specifically, the Company is directed, after consultation with the Staff, to acquire sufficient acreage to provide a visual buffer to ensure that the plant's combustion turbines, generators, air handling systems, exhaust systems, emissions control systems, power delivery system, control system, fuel storage facilities, fire protection facilities and appurtenances associated with these facilities will not be visible from New Church or any other existing residential or commercial structures. We expect that this buffer will also be beneficial in that it will help facilitate noise abatement in the surrounding areas. We direct the Staff to inform the Commission once an appropriate buffer has been selected and procured. We further direct the Staff to advise the Commission if the Company does not propose a buffer that comports with our directive within a reasonable time.

The second modification requested by the Company concerns the Hearing Examiner's recommendation that the Company be required to enter into interconnection and purchase power agreements with Delmarva and PJM within three years. We find that the Company's request to modify the wording of this condition appears reasonable. We will modify this condition to require the Company to enter into all agreements that are necessary to allow the Company to transmit the electric power produced by the Facility to PJM participants, including the PJM Operating Agreement, or in the alternative, to ODEC, before the Facility is placed into service (i.e., to the end of the sunset provision of the certificate). Accordingly,

IT IS ORDERED THAT:

(1) The findings and recommendations in the Hearing Examiner's July 10, 1998 Report are hereby adopted, with the modifications discussed herein, and the Company shall comply with the directives contained in the findings set out in the Hearing Examiner's Report and in this Order.

(2) This case shall be dismissed and the papers placed in the file for ended causes.

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[7] Commonwealth Chesapeake Comments 4.

[8] Id. at 3.

[9] Id. at 6.

[10] Id.

[11] See Hearing Examiner's Report at 15-16 & n.81.

CASE NO. PUE960227
APRIL 27, 1998

APPLICATION OF
VIRGINIA NATURAL GAS, INC.

For an expedited increase in gas rates

FINAL ORDER

On September 25, 1996, Virginia Natural Gas, Inc. ("VNG" or "the Company") filed an application for an expedited increase in rates. The Company's application proposed to increase VNG's rates by additional gross annual revenues of $13,899,092, based upon adjusted operating and financial data for the twelve months ended June 30, 1996.

The Commission entered an Order on October 11, 1996, permitting VNG's proposed rates and tariff revisions to take effect, on an interim basis, subject to refund with interest, for service rendered on and after October 25, 1996. By Order dated October 24, 1996, the Commission assigned a Hearing Examiner to the matter, established a procedural schedule, and set the matter for hearing on April 10, 1997.

The parties to the proceeding and Staff filed simultaneous briefs on June 2, 1997.

On July 28, 1997, the Company filed a "Motion to Reduce Interim Rates in Effect Subject to Refund", wherein it sought to reduce its interim rates by approximately $5 million until the Commission rendered its final decision in the case. The Chief Hearing Examiner granted VNG's motion to reduce rates in her Ruling of August 22, 1997. The interim reduction was made effective with the billing month of October 1997, when the quarterly billing factor adjustment took effect in order to avoid multiple rate changes.

The Chief Hearing Examiner issued her report in this matter on February 26, 1998. Based upon the evidence received, the Examiner found that:

1. The use of a test year ending June 30, 1996, is proper in this proceeding;

2. The Company's test year operating revenues, after all adjustments, were $164,521,865;

3. The Company's test year operating deductions, after all adjustments, were $144,606,092;

4. The Company's test year operating income and adjusted operating income, after all adjustments, were $19,915,773 and $19,187,065, respectively;

5. The Company's adjusted test period rate base, updated to December 31, 1996, is $257,085,996;

6. The Company's current rates produced a return on adjusted rate base of 7.46% and a return on equity of 7.66%;

7. The Company's cost of equity is within a range of 10.40% to 11.40%, and rates should be established at the midpoint of that range, 10.90%;

8. The Company's overall cost of capital is 9.24%;

9. The Company's current rates are unjust and unreasonable because they will generate a return on rate base less than 9.24%;

10. The Company requires an increase in gross annual revenues of $7,241,782 to earn a 9.24% return on rate base;

11. The Company should file permanent rates designed to produce the additional revenues found reasonable herein effective October 25, 1996, to be consistent with Staff's revenue apportionment as modified herein;

12. The Company should file revised tariff sheets to incorporate Staff witness Frassetta's recommended changes;

13. The Company should be required to refund, with interest, all revenues collected under interim rates in excess of the amount found just and reasonable herein; and

14. VNG should incorporate Staff's recommendations in the cost of service study presented in the next rate case.

The Chief Examiner recommended that the Commission enter an order adopting the findings in her report, increasing the Company's authorized gross annual revenues by $7,241,782, and directing the refund with interest of all amounts collected under the interim rates in excess of the rate level found just and reasonable by the Chief Examiner.

Comments on the Hearing Examiner's Report were filed by VNG; the Division of Consumer Counsel, Office of the Attorney General ("the Attorney General"); and a group of Industrial Protestants.[1] VNG filed Comments objecting to the Hearing Examiner's recommended disallowance of joint advertising expenses and a 10.9% return on common equity. The Company urged the Commission to adopt the other recommendations of the Hearing Examiner's Report.

The Industrial Protestants filed Comments wherein they urged the Commission to reject the Hearing Examiner's recommended revenue apportionment and to utilize the revenue apportionment percentages approved by the Commission in Case No. PUE920031, VNG's most recent general rate case. The Attorney General's Comments requested that the Commission adopt the Hearing Examiner's Report in its entirety.

Having considered the record, the Hearing Examiner's Report, and the Comments thereon, the Commission is of the opinion and finds that the findings and recommendations of the Hearing Examiner should be adopted, as modified and supplemented by this Order.

Joint Advertising Expenses

In its Comments, the Company urged the Commission to include in its cost of service the jurisdictional portion of advertising expenses related to its Energy Efficient Home ("EEH") and Qualified Gas Contractor ("QGC") programs. Based on the record herein, we conclude that VNG's advertising expenses for the EEH and QGC programs do not comply with the requirements of § 56-235.2 of the Code of Virginia or our Rules Governing Utility Promotional Allowances adopted in Case No. PUE900070. The advertisements associated with these programs are not required by "law or rule or regulation" nor do they "solely promote the public interest, conservation or more efficient use of energy; . . ." As we noted in our 1992 Order adopting Rules Governing Utility Promotional Allowances,

> The Virginia Code prohibits rate recovery for electric utilities for advertising unless it is required by 'law or rule or regulation, or for advertisements which solely promote the public interest, conservation or more efficient use of energy . . ' Virginia Code § 56-235.2. Accordingly, the Commission has allowed reasonable levels of advertising expenses associated with CLM. Such practice will continue, but we will more closely scrutinize those costs in the context of individual rate cases, to carefully distinguish between advertising for cost effective CLM programs and those primarily designed to promote load growth which do not otherwise serve the overall public interest. State law does not currently address advertising by gas companies, but we have historically applied the same standards there.[2]

While Rule III.A.2 of our Rules Governing Utility Promotional Allowances permits a utility to advertise jointly with others, it also incorporates the statutory requirements of § 56-235.2 of the Code of Virginia into the rule by reference to that statute. These advertisements do not satisfy the requirements of § 56-235.2 of the Code of Virginia in that they do not solely promote the public interest, conservation or more efficient use of energy.

Review of the advertising offered as typical of the EEH and QGC programs indicates that these advertisements are targeted at new potential natural gas loads and provide little information about efficiency or gas conservation. See Appendix A, pages 15-17 of Ex. LCM-22. For example, VNG's joint advertisement for Walnut Hill Estates (Appendix A, page 15 of Ex. LCM-22) identifies VNG as providing promotional assistance for the ad and contains the tag line that "[n]atural [g]as [h]omes are naturally energy efficient, economical and comfortable." The advertisement also offers a free washer and dryer to anyone who purchases a home before February 29th. The efficiencies of these free appliances are not mentioned. The plain thrust of the advertisement is to increase the Company's natural gas load, not to "solely" promote the public interest, conservation, or more efficient use of energy.

This and other VNG advertisements offered as typical advertisements for the EEH and QGC Programs do not apprise the public about how natural gas can be conserved or what specific energy efficient measures existing homeowners may undertake to conserve their gas usage. We decline to include the expenses associated with these advertisements in VNG's cost of service.

Miscellaneous Accounting and Depreciation Issues

Our review of the record indicates that there are certain accounting and depreciation related recommendations made by the Staff which were not rebutted by the Company and were not specifically discussed in the Chief Hearing Examiner's Report. The first such accounting recommendation involves the capitalization of property taxes relating to Construction Work in Progress ("CWIP"). We find that VNG should begin capitalizing the portion of property taxes relating to CWIP, beginning with the calendar year, 1997.

Staff has also recommended that the Commission direct the Company to file a depreciation study with the Division of Energy Regulation before VNG files its next rate case. We agree with Staff that it is appropriate to evaluate the depreciation rate for the portion of the joint use pipeline attributable to the PT-1 customers. Accordingly, we direct VNG to file a study with the Division of Energy Regulation before the Company files its next rate case.

Return on Equity

VNG's Comments object to the adoption of the 10.9% return on equity recommended by the Staff. The Company complains that the Staff calculation of return on equity does not take into account the distortion inherent in the Discounted Cash Flow ("DCF") methodology when market prices of utility stocks are substantially above book value. It objects to the application of a financial risk adjustment to the proxy group's return on equity because of the higher equity ratio of VNG's corporate parent Consolidated Natural Gas Company ("CNG"). VNG maintains that the Staff and, in turn, the Chief Hearing Examiner ignored the effects of lower debt cost resulting from CNG's thicker equity component. It asserts that if CNG's equity ratio is adjusted downward, CNG's cost of debt must be adjusted upward.

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[1] The Industrial Protestants appeared collectively and include Ford Motor Company; Nabisco Brands, Inc.; Owens-Brockway Glass Container, Inc.; and U.S. Gypsum Company.

[2] Commonwealth of Virginia, At the relation of the State Corporation Commission, Ex Parte: In re, Investigation of Conservation and Load Management Programs, Case No. PUE900070, 1992 S.C.C. Ann. Rept. 261, 264.

The range of 10.40% to 11.40%, with a midpoint of 10.90%, recommended by the Chief Hearing Examiner, is supported by the record. While all methodologies used to estimate the cost of equity have strengths and weaknesses, we do not find that the use of the DCF methodology in concert with the other methodologies supporting the 10.90% midpoint within the range recommended by the Chief Hearing Examiner resulted in an unreasonable estimate of VNG's cost of equity.

Moreover, we are unpersuaded by the Company's arguments regarding the propriety of a financial risk adjustment. Such an adjustment is necessary to reflect the lower financial risk resulting from CNG's significantly larger than average equity ratio.[3]

In this case, the Chief Hearing Examiner accepted Staff's recommended return on equity range which adjusts the range derived for the Staff's proxy group to recognize that CNG's consolidated equity ratio is higher than the proxy group's equity ratio. The theory underlying such an adjustment is simple. Debt magnifies the variability of a public utility's earnings which, by definition, increases financial risk. Due to CNG's higher equity ratio and lower debt ratio, the financial risk embodied in CNG's capital structure is comparatively lower than that found in the proxy group. The higher leveraged, higher risk cost of equity estimate derived from Staff's proxy group must be adjusted downward to reflect that of a gas distribution company having a significantly lower level of leverage and financial risk embodied in CNG's capital structure. No accompanying adjustment must be made to the cost of debt because the cost of CNG's debt is its actual embedded cost. This actual cost of debt, of course, already reflects the level of equity and risk in CNG's capital structure.

Revenue Apportionment

The Industrial Protestants request that we reject the Chief Hearing Examiner's recommended revenue apportionment and utilize the revenue apportionment percentages approved in Case No. PUE920031, VNG's most recent general rate case. They assert that the Chief Hearing Examiner's recommendations do not satisfy the Commission's policies regarding revenue apportionment. They maintain that in an expedited rate case, the Commission should not depart from the apportionment approved in a utility's preceding general rate case.

In this proceeding, only the Staff and the Company offered cost of service studies. Unlike VNG's proposed revenue apportionment, Staff's proposed apportionment did not include increases in the revenue requirement for Rate Schedule 8 and 9 target margins. The Staff allocated VNG's requested additional revenue increase of $13,899,092 to VNG's firm rate classes, i.e., Schedules 1 through 7, and to Schedules 9A, 11 and 12. Staff attempted to move the target margins for Rate Schedules 8 and 9 back toward the system rate of return. Resetting of the Schedule 8 and 9 target margins resulted in the Staff reapportioning $794,101, an amount not considered in the Company's revenue apportionment proposals, to firm customers, assuming VNG received the entire amount of its requested increase of $13,899,092. In order to assure that all firm customer classes moved toward parity, Staff apportioned most of the additional proposed revenue increase to Schedules 1 and 2, i.e., $10,763,578 and $2,630,000 respectively, and $309,140 to Schedule 7. Exhibit GGF-2 to Ex. GGF-28.

During the proceeding, the Company accepted Staff's revenue apportionment and cost of service studies. The Chief Hearing Examiner generally agreed with the Staff's cost of service studies and apportionment recommendations, but was troubled by the movement away from parity these recommendations created.

When the Company revised its interim rates in October, 1997, to reduce its refund liability, it reduced rates for Schedule 1, 2, and 9A and did not modify interim rates for the remaining schedules. Consequently, interim rates currently in effect reflect the lower of the Company's or the Staff's proposed increases for each class. These interim rates produce movements toward parity for all classes, with the exception of Schedules 11 and 12. While the Staff's proposed increases for these two schedules would produce positive movements toward parity, we are concerned that the resulting return for Schedule 12 produced by the Staff's proposed increase moves too far.

Based on the foregoing, we have developed a revised revenue apportionment based on the class increases produced by the interim rates currently in effect, modified to reflect the Staff's proposed increase for Schedule 11 and fifty percent of the Staff's proposed increase for Schedule 12. This revenue apportionment will produce an overall increase in revenues of $8,723,066 and must be adjusted downward to reflect our finding of an overall revenue increase of $7,241,782. Consequently, we have reduced the above revenue distribution on a pro-rata basis, as follows:

Rate Schedule	Present Revenue	Revised Apportionment	% of Overall Increase	Pro-rata Reduction	Adjusted Increase
1	$114,795,225	$6,828,983	78.286%	$1,159,645	$5,669,338
2	$39,491,570	$1,668,611	19.129%	$283,351	$1,385,260
3	$9,850	$1,282	0.015%	$218	$1,064
4	$9,574	$1,535	0.018%	$261	$1,274
5	$13,182	$2,777	0.032%	$472	$2,305
6	$1,872,014	$94,237	1.080%	$16,003	$78,234
7	$1,664,126	$109,009	1.250%	$18,511	$90,498
8	$809,041	$-	0.000%	$-	$-
9A	$358,696	$12,346	0.142%	$2,097	$10,249
9B	$790,360	$-	0.000%	$-	$-
9C	$734,907	$-	0.000%	$-	$-
9D	$348,165	$-	0.000%	$-	$-
11	$21,365	$3,976	0.046%	$675	$3,301
12	$1,722	$310	0.004%	$53	$257
Increase		$8,723,066			$7,241,782

[3] All of the cost of capital witnesses in this case made their recommendations based on a ratemaking capital structure for CNG, VNG's parent. Because VNG relies on its parent to supply all of its external capital needs, use of a CNG ratemaking capital structure is appropriate.

We believe that the foregoing distribution of the increase in revenues is consistent with the principles articulated in previous Commission decisions regarding revenue apportionment in that it will produce a movement toward parity for all classes. The cost of service studies made a part of the record in this case provide a cost relationship for the revenue apportionment accepted herein. These studies represent only estimates of cost of service and not absolute indications of cost.

Finally, the Commission's Rules Governing Utility Rate Increase Applications and Annual Informational Filings adopted in Case No. PUE850022,[4] do not limit the issues Staff and Protestants may raise in an expedited proceeding.[5] Protestants and Staff may develop issues of concern to them in the context of an expedited rate proceeding, including alternative methods to apportion revenue.

Accordingly, IT IS ORDERED THAT:

(1) The findings and recommendations of the Hearing Examiner's February 26, 1998, report, as modified and supplemented herein, are accepted.

(2) The Company shall be granted an increase in gross annual revenues of $7,241,782, effective for service rendered on and after October 25, 1996.

(3) VNG shall forthwith file revised schedules of rates and charges and revised terms and conditions of service, consistent with the findings herein, effective for service rendered on and after October 25, 1996.

(4) On or before December 28, 1998, VNG is directed to recalculate, using the rates being established by this Order, each bill it rendered that used, in whole or in part, the interim rates being replaced by the rates established by this Order. In each instance where application of the rates being established by this Order yields a reduced bill to the customer, the Company is directed to refund, with interest as directed below, the difference.

(5) Interest upon the ordered refunds shall be computed from the date payment of each monthly bill was due during the interim period until the date refunds are made, at an average prime rate for each calendar quarter. The applicable average prime rate for each calendar quarter shall be the arithmetic mean, to the nearest one-hundredth of one percent, of the prime rate values published in the Federal Reserve Bulletin, or in the Federal Reserve's Selected Interest Rates ("Selected Interest Rates") (Statistical Release G.13), for the three months of the preceding calendar quarter.

(6) The interest required to be paid herein shall be compounded quarterly.

(7) The refunds ordered in Paragraph (4) above may be accomplished by credit to the appropriate customer's account for current customers (each refund category shown separately on each customer's bill). Refunds to former customers shall be made by a check to the last known address of such customers when the refund amount is $1 or more. VNG may offset the credit or refund to the extent no dispute exists regarding the outstanding balances of its current customers or customers who are no longer on its system. To the extent that outstanding balances of such customers are disputed no offset shall be permitted for the disputed portion. The Company may retain refunds owed to former customers when such refund amount is less than $1. However, VNG shall prepare and maintain a list detailing each of the former accounts for which refunds are less than $1, and in the event such former customers contact the Company and request refunds, such refunds shall be made promptly. All unclaimed refunds shall be handled in accordance with § 55-210.6:2 of the Code of Virginia.

(8) On or before January 26, 1999, the Company shall file with the Staff a document showing that all refunds have been lawfully made pursuant to this Order and itemizing the cost of the refund and accounts charged. Such itemization of costs shall include, inter alia, computer costs, and the personnel hours, associated salaries and costs for verifying and correcting the refunds directed in this Order.

(9) The Company shall continue to separate the revenues and expenses associated with Schedule 9D-Yorktown from Schedule 9C in future cost of service studies.

(10) VNG shall study the propriety of developing a separate rate schedule for the Yorktown Generating Station in its next rate case.

(11) VNG shall separate the revenues and expenses associated with its joint use pipeline PT-1 customers as a separate rate class in its class cost of service study in its next case.

(12) VNG shall revise Rate Schedules 13 and 14, and the Actual Cost Adjustment tariff language as recommended in Staff Ex. GGF-28 at pages 18-21.

(13) VNG shall retain the target margin in the Margin Sharing Adjustment at the current level of $2,426,787.

(14) There being nothing further to be done in this matter, this case shall be dismissed from the Commission's docket of active proceedings, and the papers filed herein made a part of the Commission's file for ended causes.

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[4] Commonwealth of Virginia, At the relation of the State Corporation Commission, Ex Parte: In the matter of adopting certain amendments to the Rules Governing Utility Rate Increase Applications, Case No. PUE850022, 1985 S.C.C. Ann. Rept. 478 (hereafter "Rate Case Rules").

[5] See Application of Virginia Electric and Power Co., For an increase in base rates, Case No. PUE880014, 1988 S.C.C. Ann. Rept. 312 at 313-314.

CASE NO. PUE960228
FEBRUARY 3, 1998

PETITION OF
COMMONWEALTH GAS SERVICES, INC.

For a waiver of the moratorium on the addition of new customers under the Metered Propane Service Schedule

ORDER GRANTING DISMISSAL

On December 16, 1996, the Commission entered an Order Granting Waiver to Commonwealth Gas Services ("Commonwealth" or "Company") to add new customers under the Company's Metered Propane Service ("MPS") Rate Schedule. Prior orders of the Commission had placed a moratorium on the Company's addition of metered propane service customers.

The waiver was granted on the following conditions: (i) Commonwealth shall promptly file with the Clerk of the Commission a copy of the actual notification it receives from the Virginia Department of Transportation ("VDOT") that VDOT has completed the road work in the Hunt Ridge area; (ii) the Company shall complete the conversion of Hunt Ridge Townhomes from MPS service to natural gas distribution service within thirty days following the date of the actual notification to Commonwealth by VDOT that it has completed the roadwork near Hunt Ridge Townhomes; and (iii) the Company shall file a document with the Clerk of the Commission, advising when the conversion of Hunt Ridge Townhomes to natural gas distribution service has been completed.

By letter dated January 30, 1998, Commonwealth notified Staff that the above conditions had been met.

IT IS THEREFORE ORDERED THAT, the conditions of the waiver having been met, this matter is dismissed and the papers filed herein shall be placed in the file for ended causes.

CASE NO. PUE960293
JANUARY 20, 1998

APPLICATION OF
APPALACHIAN POWER COMPANY

For a revised Schedule COGEN/SPP

ORDER OF DISMISSAL

By order dated November 5, 1996, the Commission granted Appalachian Power Company's ("Appalachian" or "the Company") motion requesting an extension of time for filing its revised Schedule COGEN/SPP. In its filing, the Company noted that it also anticipated filing a request for an increase in the Company's fuel factor on or about December 20, 1996. In its order the Commission granted Appalachian's motion, extending the date for filing its Schedule COGEN/SPP from November 24, 1996, to December 20, 1996. The Commission further stated that this matter should remain open to receive the Company's COGEN/SPP and fuel factor filing.

Appalachian did file its revised Schedule COGEN/SPP and fuel factor filings on December 20, 1996; however, they were inadvertently given two new case numbers. The fuel factor proceeding was docketed under Case No. PUE960365 and the cogeneration proceeding was docketed under Case No. PUE970001.

THE COMMISSION, *upon consideration of the above, is of the opinion and finds that this matter should be closed and dismissed from its* docket. Accordingly,

IT IS ORDERED THAT this matter is closed and dismissed from the Commission's docket of active cases.

CASE NO. PUE960294
OCTOBER 15, 1998

NATIONAL CAPITAL CHAPTER, AIR CONDITIONING CONTRACTORS OF AMERICA,
Petitioner
v.
WASHINGTON GAS LIGHT COMPANY
and
WASHINGTON GAS ENERGY SERVICES, INC.,
Respondent

FINAL ORDER

On October 24, 1996, The National Capital Chapter, Air Conditioning Contractors of America ("NCC")[1] filed a petition on behalf of its members against Washington Gas Light Company ("WGL") and Washington Gas Energy Services, Inc. ("WGES"). NCC stated that WGES, a wholly-owned subsidiary of WGL, planned to market an appliance inspection program (the "Program"). NCC explained that it understood that WGES would use WGL's monopoly-derived customer information in marketing the Program, thereby appropriating the WGL's goodwill value to promote its own, unregulated business activities, at the expense of its ratepayers. NCC requested certain relief, including a request that the Commission order WGES to cease the Program.

On September 18, 1998, the Commission entered an order stating that, by letter dated February 4, 1998, counsel for WGL informed the Commission that the Program was terminated and WGES was exiting from its obligations thereunder. The Commission stated that since, according to WGL, the Program would no longer be offered by WGES or any other subsidiary of WGL, it would appear that the complaint in this proceeding has been rendered moot. The Commission provided the parties an opportunity to express their views on the appropriate disposition of the complaint.

On October 1, 1998, NCC filed comments stating that, notwithstanding the termination of the Program, several important issues remain unresolved and merit the Commission's consideration. Specifically, NCC alleges that WGL and its affiliates are engaged in a broad range of intercompany activities and "[e]very activity engaged in by WGL's unregulated affiliates raises the spectre of potential abuse." NCC Comments at 2. NCC continues to urge the Commission to adopt standards of conduct for transactions between WGL and its affiliates that will prevent future conduct that results in cross subsidization and unfair competition. NCC also requests that the Commission require WGL, at its own expense, to conduct regular independent audits of its books and those of its affiliates to ensure that cross subsidization does not occur.

On October 9, 1998, WGL filed a Response asking that NCC's petition filed in this proceeding be dismissed. WGL contends that it is neither necessary nor appropriate for the Commission to continue this proceeding to decide issues raised in the context of a now-terminated program of an affiliate.

UPON CONSIDERATION of the foregoing and the relevant statutes, we will dismiss NCC's complaint in this proceeding and deny the relief requested by NCC in its October 1 Comments.

First, as stated, we will dismiss NCC's complaint filed on October 24, 1996. NCC does not dispute that WGL has terminated the Program. Since the subject of NCC's complaint no longer exists, we find that NCC's complaint has been rendered moot.

Second, we will not grant the relief requested by NCC in its October 1 Comments because the relief NCC requests (e.g., the adoption of standards governing the marketing practices of utilities vis-a-vis their affiliates) concerns generic matters that go beyond the scope of the complaint. Thus, these matters are not appropriately addressed in a complaint proceeding. Accordingly,

IT IS ORDERED that:

(1) NCC's October 24, 1996 Petition shall be dismissed and NCC's requests in its October 1 Comments shall be denied.

(2) There being nothing further to be done herein, this matter shall be dismissed from the Commission's docket of active proceedings, and the papers filed herein made a part of the Commission's files for ended causes.

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[1] NCC is an association of heating and air conditioning contractors located in the Washington, D.C. region; its members install and service heating and cooling equipment. Many of its members also provide appliance inspection services.

CASE NO. PUE960295
JUNE 25, 1998

PRINCE GEORGE ELECTRIC COOPERATIVE

For declaratory judgment

and

PETITION OF
RGC (USA) MINERAL SANDS, INC.
and
RGC (USA) MINERALS, INC.

For declaratory judgment

ORDER ON PETITIONS FOR DECLARATORY JUDGMENT

On October 30, 1996, Prince George Electric Cooperative ("Prince George")[1] filed a petition requesting that the Commission declare that a proposed sale of electricity by Virginia Electric and Power Company ("Virginia Power" or the "Company") to RGC (USA) Mineral Sands, Inc. ("RGC")[2] would violate Virginia law and Prince George's property rights under a certificate of public convenience and necessity issued by the Commission.

On November 18, 1996, RGC filed a counter petition, requesting that the Commission declare that Virginia Power has the right and the duty, pursuant to its certificate of public convenience and necessity, to sell electricity to RGC at RGC's delivery and metering point located within Virginia Power's certificated service territory.

The basic facts of this case are not in dispute. In the fall of 1995, RGC purchased a parcel of real estate (hereinafter, "Parcel A"), approximately 37 acres, that is wholly within the service territory of Prince George. Subsequently, it constructed a mineral processing plant on this site. RGC requested Virginia Power to be its electric provider and Virginia Power agreed, contingent on certain conditions being met. RGC then sought Prince George's permission to permit Virginia Power to serve RGC's plant since the plant is in Prince George's service territory. Prince George refused.

In the summer of 1996, RGC purchased another parcel of real estate (hereinafter, "Parcel B") that extends into Virginia Power's service territory. Parcel B is a strip of land approximately 30 feet wide that is contiguous to and extends south from Parcel A for a distance of approximately 4,380 feet. Parcel B is predominantly situated within Prince George's service territory; the boundary between the service territories of Virginia Power and Prince George lies approximately 4,000 feet south of the common boundary of Parcels A and B and approximately 380 feet north of the southern boundary of Parcel B. Parcel A and Parcel B share a common boundary for a distance of 35.56 feet; no public road, street or other property not owned by RGC separates Parcel A and Parcel B. Approximately 99.6% of the total land area of both parcels lies within Prince George's service territory; the remaining .4% lies within Virginia Power's service territory.

RGC began purchasing electricity from Virginia Power on May 7, 1997, subject to certain conditions.[3] Virginia Power delivers the electricity to a meter that the Company owns, located in its service territory.[4] The electricity flows from Virginia Power's meter over distribution facilities that RGC constructed, owns and operates to RGC's mineral processing plant.

The only issue in controversy is whether Virginia Power's sale of electricity to RGC violates the Utility Facilities Act under which certificates of public convenience and necessity are issued in Virginia. In her report issued on November 24, 1997, the Chief Hearing Examiner concluded that since the electric energy would be provided to RGC at a delivery point in Virginia Power's service territory, Virginia Power has the right and the obligation to provide electric service to RGC. For the reasons discussed below, we do not agree with the Hearing Examiner's findings and recommendations and will grant Prince George's petition.

Background

As stated above, Prince George filed its petition on October 30, 1996, and RGC filed its counter petition on November 18, 1996. On December 13, 1996, the Commission issued an order for notice and hearing. The Commission consolidated both petitions for review, appointed a hearing examiner to conduct further proceedings, and made Virginia Power a party to this proceeding. Additionally, the Commission directed the parties to file a stipulation of agreed facts and legal issues in dispute and briefs.

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[1] Prince George is an electric cooperative certificated to serve certain parts of the Counties of Sussex, Prince George, Dinwiddie, Surry, Southampton and Isle of Wight, Virginia.

[2] RGC (USA) Mineral Sands, Inc., ("RGC Sands") is a Delaware corporation authorized to transact business in Virginia. RGC Sands is a wholly-owned subsidiary of Associated Minerals (USA) Holdings, Inc., a Delaware corporation, which is a wholly-owned subsidiary of RGC (USA) Investments, Inc., a Nevada corporation. RGC Sands constructed and operates the mineral processing plant at issue in this case through its division RGC (USA) Mineral Sands, Inc.-Virginia. RGC's corporate structures are not germane to our decision in this case; therefore, we will refer to the various entities collectively as "RGC."

[3] The conditions are: (1) Virginia Power's agreement to provide the requested service is contingent upon the final outcome of any proceeding challenging the Company's right to provide the service; (2) RGC's execution of a service agreement with a minimum term of 15 years and a contract minimum demand; and (3) RGC's agreement to reimburse Virginia Power in full for all costs incurred for facilities should such facilities become useless in the event of a successful challenge to Virginia Power's provision of the service.

[4] The meter is located approximately 50-100 feet north of the southern boundary of Parcel B.

On February 7, 1997, Old Dominion Electric Cooperative ("ODEC"), Prince George's electric supplier, filed a Motion to Intervene. The Motion was granted by the Hearing Examiner.

On February 24, 1997, the parties filed a Joint Stipulation of Facts, a List of Legal Issues in Dispute ("Joint Stipulation") and their briefs. On March 17, 1997, the parties filed a Supplemental Joint Stipulation of Facts and List of Additional Legal Issues in Dispute. Virginia Power also filed a brief, stating that it does not support or oppose either Prince George's petition or RGC's petition. The Company also stated that the petitions filed in this case raise an important policy question that needs to be resolved.

On June 24, 1997, Prince George filed a Motion for Leave to Amend its Petition for Declaratory Judgment. It stated that, on March 18, 1997, Virginia Power and RGC entered into an agreement for RGC's purchase of electricity from Virginia Power and that the transaction commenced on May 7, 1997. Prince George sought to amend its petition to request that the Commission find the aforesaid agreement null and void and that Virginia Power be permanently enjoined from selling electricity to RGC that would be consumed at any point within Prince George's service territory. The Hearing Examiner allowed Prince George to amend its petition.

On November 13, 1997, Kentucky Utilities Company d/b/a Old Dominion Power Company ("KU") filed a Motion to Take Judicial Notice of Additional Legal Authorities. KU stated that it is an interested party because it is involved in a proceeding currently before the Commission, in Case No. PUE960303, that involves issues similar to those presented in this case. KU requested that three additional legal authorities that were not cited in the briefs filed by the parties in this case be considered, asserting that they are relevant to the issues in this case.

The Hearing Examiner's Report

On November 24, 1997, Chief Hearing Examiner Deborah V. Ellenberg issued her Report. The Hearing Examiner stated that although the Virginia Code provides for exclusive service territories under §§ 56-265.3 and 56-265.4, the concept and application of exclusive service areas are not challenged in this case. She framed the threshold question in this case as "whether the Commission, as a matter of policy, defines the territorial boundaries by point of delivery or point of use;" i.e., whether the right to serve a particular customer is based on the location of a facility to which the electric power is delivered or at which it is actually consumed.

The Hearing Examiner described three analyses that have been used to determine which utility should serve a customer in situations similar to RGC's; i.e., (i) the point of use test, (ii) the point of delivery test, and (iii) the geographic load center test. Under the point of use test, the location of the facilities consuming the electricity is the primary factor. The point of delivery test focuses on the point at which the electricity is delivered. Under this analysis, a utility may be allowed to sell electric power to a customer, as long as the delivery (or metering) point is situated within that utility's service territory, even if the electricity is subsequently transported into another utility's service territory. Under the geographic load center test, the utility that serves the majority of a customer's load generally is designated the provider for the entire load.

The Hearing Examiner considered certain cases from other jurisdictions provided to her by the parties that endorsed the point of use test and found that these cases generally were decided on the basis of certain policy concerns.[5] The Examiner identified the policy concerns that support the point of use test to include protecting the rights of certificated providers against encroachment; deterring the manipulation of the system by large customers with greater resources and the circumvention of exclusive territorial service grants; protecting residential customers from higher rates resulting from the departure of larger customers; and discouraging the duplication of facilities and waste of resources.

The Hearing Examiner found that the cases from other jurisdictions where the point of use test was adopted involved existing customers who sought to change to a different electric supplier. She found further that these policy concerns cited above are not as persuasive in a situation, such as here, where the customer has never been served by the utility certificated to serve the area where the power will be consumed. She stated that "[s]ince RGC is a new customer, there is no duplication of facilities or wasted resources resulting from RGC constructing its own distribution line and taking service from Virginia Power."[6] She also found that RGC's reasons for acquiring private property are not relevant if there are no adverse public consequences.

The Hearing Examiner further discussed telecommunications precedent that supports the application of the point of delivery test. She relied upon a Fourth Circuit case that involved a telephone subscriber that owned contiguous property in North Carolina and South Carolina.[7] The subscriber wished to locate its privately-owned switching equipment in North Carolina so that it could interconnect with a carrier in that state, even though its 300 privately-owned telephones were located in South Carolina. The Fourth Circuit found that the subscriber could lawfully do so because individuals have a federal right to use telephone equipment in a way that is privately beneficial as long as it is not publicly detrimental. The Hearing Examiner also relied upon a Commission case in which three residential customers whose homes were located in the certificated service territory of one telephone company were allowed to interconnect their privately-owned equipment on their own property to network interface devices in another telephone company's certificated service territory, using either hard wire or cordless phones to make the connection.[8] The Hearing Examiner concluded, citing Citizens, that "this Commission has already determined that one utility can provide service to delivery points located within its service territory even when the customers are using the service within the certificated territory of another utility."[9]

In addition, the Hearing Examiner viewed recent regulatory and legislative developments relating to the restructuring of the electric industry as supporting the application of the point of delivery test in the circumstances of this case. She noted that the General Assembly clearly supported customer responsive arrangements that do not result in public detriment when it, for example, enacted § 56-235.2 of the Code of Virginia to allow utilities to offer

[5] See Hearing Examiner's Report at 7-9.

[6] Id. at 9.

[7] Fort Mill Telephone Co. v. FCC, 719 F.2d 89 (4th Cir. 1983) ("Fort Mill").

[8] Commonwealth of Virginia, At the relation of Citizens Telephone Co. v. The Chesapeake and Potomac Telephone Co. of Va., Case No. PUC840026, 1984 SCC Ann. Rep. 354 ("Citizens").

[9] Hearing Examiner's Report at 10.

special rates, contracts or incentives when certain criteria are met. The Hearing Examiner also noted the increasing number of rate design and service options that have often resulted in utilities' attracting customers that might have otherwise located elsewhere or pursued energy alternatives. Based on these considerations, the Hearing Examiner found that "[g]ood reason . . . exists to maintain the policy established in the Citizens case and continue to allow customer choice within the parameters of our existing statutory framework."[10]

The Hearing Examiner concluded that Virginia Power has the right and, indeed, the obligation to provide service to RGC's metering point located within Virginia Power's service territory. Her recommendation, however, was not based on the single fact that the meter was in Virginia Power's service territory. Rather, her analysis was strongly influenced by her findings that: (i) RGC would have been a new customer for Prince George and there would have been no reduction in Prince George's existing revenue stream; (ii) no duplication of facilities would result; (iii) no public road, street or other property not owned by RGC separated Parcel A and Parcel B; and (iv) in her view, granting RGC's petition would not result in direct, substantial or immediate injury to Prince George. The Hearing Examiner also concluded that Prince George and ODEC did not construct facilities to serve RGC; therefore, no costs would be incurred that are directly attributable to the loss of RGC as a customer that could create stranded costs.

Comments on and Exceptions to the Hearing Examiner's Report

Comments on the Hearing Examiner's Report were filed by Prince George, ODEC, KU, RGC and Virginia Power.

Prince George urges rejection of the Hearing Examiner's findings and recommendations. It contends that what is at issue is "whether the integrity of exclusive service territories granted under the [Utility Facilities] Act will be preserved or whether certain individuals and businesses will be able to select their utility without regard to where the energy will be consumed."[11]

As an initial matter, Prince George asserts that the Hearing Examiner's Report omitted certain important facts. By way of example, it states that the facilities constructed by Virginia Power to serve RGC duplicated facilities Prince George had built that could have served Parcel A.[12]

Prince George argues that the approach recommended by the Hearing Examiner has been rejected by several other jurisdictions that require exclusive service territories and that have concluded that adoption of the point of delivery test would not advance public policy objectives. Prince George contends that the policy concerns identified by the other jurisdictions are essentially the same concerns embodied in Virginia's system of exclusive service territories and also apply in this case.[13] Prince George also contends that the recent legislative and regulatory activities related to the restructuring of the electric industry cannot be construed as support for the elimination of exclusive service territories in Virginia.

Prince George asserts that the Fort Mill and Citizens cases relied upon, at least in part, by the Hearing Examiner have no precedential value in deciding this case. More specifically, it argues that the Fourth Circuit's decision in Fort Mill turned on the customer's right under federal telecommunications law to use its telephone equipment in ways that are privately beneficial without being publicly detrimental and that to translate this right into support for the point of delivery test in Virginia "stretches the bounds of credulity."[14] Prince George further argues that, even if Fort Mill is deemed to be on point, the test applied by the Federal Communications Commission ("FCC") (i.e., private benefit and no resulting public detriment) cannot be met in this case, since RGC's private benefit would be outweighed by the public detriment that would result from undermining exclusive service territories.

Prince George contends that Citizens must be considered as limited to the specific facts of that case. Further, it argues that in view of the "overwhelming repudiation" of the point of delivery test in states that have statutory schemes similar to Virginia's with respect to regulating public utilities, "it is inconceivable that the Commission could have intended its holding in a case involving three residential customers to have the far-reaching implications ascribed to it by the Chief Hearing Examiner."[15] Prince George asserts that the decision in Citizens should be taken for no more than what it was--the Commission's "allowing several residential telephone customers to do as they wished when neither utility involved objected."[16]

Further, Prince George argues that the Hearing Examiner's finding that Virginia Power's provision of service to RGC would not injure Prince George or result in public detriment is contrary to the evidence. Prince George states that much of its service territory is rural in character, includes substantial amounts of undeveloped land and has several thousand miles of shared territorial boundaries; therefore, "[i]t is unknown how many opportunities those shared boundaries might afford to existing or new customers to create a contrivance such as that created by RGC."[17] Prince George also states that it has had a legal obligation to provide electric service to the area in which Parcel A is located for nearly fifty years and that it has been required to plan and maintain the capability, and incur costs, to deliver such service as might at any time be needed at that location in order to meet its obligation. It argues that to allow another utility to provide service to an area not certificated to it "renders it impossible for the utility with the obligation to serve such areas to accurately forecast and plan for load growth and thereby negates one of the benefits afforded the public by the doctrine of regulated monopoly."[18]

[10] Id. at 11.

[11] Prince George Comments at 2.

[12] Id. at 5-6.

[13] Prince George asserts that other jurisdictions have found that the point of delivery test undermines the doctrine of regulated monopoly because it allows customers to manipulate the point of delivery, thus creating the need for duplicative facilities, and impairs the ability of utilities to discharge their duty to meet the needs of existing customers and to anticipate future needs and growth.

[14] Prince George Comments at 13.

[15] Id. at 15-16.

[16] Id. at 16.

[17] Id. at 19.

[18] Id. at 20.

ODEC also urges the Commission to reject the Hearing Examiner's approach. It points out that the Hearing Examiner's view differs from other jurisdictions with similar regulatory schemes that have addressed the same or similar situation. ODEC contends that the Hearing Examiner's rationale that the point of delivery test should be applied based on the distinction that RGC would be a new customer is short-sighted and fails to take into account the sound public policy considerations that underlie the doctrine of regulated monopoly. ODEC asserts that the Hearing Examiner's approach fails to take into account the fact that Prince George will need to construct distribution lines to serve the area surrounding Parcel B, resulting in duplicated facilities and wasted resources. ODEC argues that the Report appears to assume that serious obstacles exist that would prevent similar situations from arising in the future, but there is no reason to believe that the repetition of RGC's situation would be difficult.

Additionally, ODEC states that Virginia Code § 56-234.3 requires utilities to plan, forecast and build to meet future load, which necessitates large expenditures and capital outlay. ODEC contends that the adoption of the "new customer point of delivery test"[19] would make it difficult for utilities to fulfill their statutory duty because utilities will be unable to forecast future load accurately. ODEC argues that the Hearing Examiner's recommended approach will inevitably lead to the construction of facilities that will not be fully utilized, with the result of driving up the cost of service for the remaining customers who would have to bear the responsibility for fixed costs that would have been spread over a larger customer base.[20] ODEC further argues that adoption of the point of delivery test for new customers would unfairly disadvantage customers who do not have the resources to locate near a territorial boundary or construct their own distribution lines. ODEC asserts that the point of delivery approach would violate the spirit of § 56-234 because it would result in special treatment for new customers and, in effect, would create an undesirable differentiation between border-area and non-border-area customers. For example, ODEC contends that some customers will attempt to manipulate the system to find ways to become "new" customers which would foster a "balkanization of electric utility service arrangements [that] will almost certainly create friction and concern within the customer pool."[21]

Further, ODEC takes issue with the Hearing Examiner's reasoning that the new customer point of delivery test should be adopted in light of the General Assembly's desire to support expanded customer responsive arrangements in the electric utility industry. ODEC argues that this consideration "inappropriately anticipates and preempts the results of current legislative and regulatory processes."[22] ODEC states that the proper role for the Hearing Examiner is to decide cases solely on the basis of current law.

ODEC also contends that the Citizens case does not support the point of delivery test in this case, raising essentially the same arguments as Prince George. In addition, ODEC argues that Citizens is inapposite since the Commission in that case found that there would be no direct, substantial and immediate harm to the utility from which the customers migrated. In contrast, ODEC asserts, Prince George and ODEC have suffered a direct, substantial and immediate injury in the loss of approximately $650,000 in annual revenues Prince George would have received had RGC become a customer. ODEC also asserts that granting RGC's petition would result in public detriment in terms of the impact on utilities' ability to carry out their statutory duty to plan, forecast and build to serve anticipated load.[23]

KU filed comments requesting that the Commission adopt the point of use analysis for resolving disputes between electric suppliers under the Utility Facilities Act. Alternatively, it requests that the Commission limit the application of the point of delivery test to situations where the customer is not already served by the utility certificated to serve the area where the electric energy will be consumed. KU argues that the holding of the Citizens case should not be extended to electric utilities. KU also argues that the point of delivery test is "seriously flawed."[24] Specifically, KU asserts that adopting the point of delivery approach "eviscerates what the Virginia Supreme Court recognized as a 'property right . . . entitled to protection by the courts.'"[25]

KU contends that adoption of the point of delivery test would limit the Commission to considering only the location of the meter in territorial disputes, a matter that could be manipulated by the customer. It asserts that the Commission should base its decision in these disputes on facts that cannot be manipulated by the customer, such as the proximity of existing distribution lines to the area to be served, which supplier was first serving the area, the age, adequacy and dependability of existing facilities, and the prevention of the duplication of facilities supplying service to the area.

RGC filed comments arguing that the Hearing Examiner's findings and recommendations in her Report are appropriate and should be adopted by the Commission. Also, RGC states that any precedent established by this case may apply only to the limited circumstances where a new customer owns contiguous property situated within the service territory of more than one utility and any policy implications may be limited to such circumstances.

Virginia Power filed comments stating that it neither supports nor opposes the conclusions reached by the Hearing Examiner.

NOW THE COMMISSION, upon consideration of the record and the Examiner's November 24, 1997 Hearing Report, the comments and exceptions received thereto, as well as the applicable statutes and rules, is of the opinion and finds that Prince George's petition for declaratory judgment should be granted and RGC's counter petition should be denied. While we commend the Chief Hearing Examiner for her diligence and Report, we cannot adopt her findings and recommendations, for the reasons discussed below.

The Hearing Examiner correctly found that the two relevant Code sections are §§ 56-265.3 and 56-265.4 of the Code of Virginia. Section 56-265.3 provides that a public utility may not furnish public utility service within the Commonwealth unless it first obtains a certificate of public convenience and necessity authorizing it to provide the service in a particular service territory. Va. Code § 56-265.4 provides that:

[19] ODEC Comments at 7.

[20] Id. at 7-8.

[21] Id. at 9.

[22] Id. at 10.

[23] Id. at 12-14.

[24] KU Comments at 4.

[25] Id., citing Town of Culpeper v. Virginia Electric and Power Company, 215 Va. 189, 194 (1974).

> [N]o certificate shall be granted to an applicant proposing to operate in the territory of any holder of a certificate unless and until it shall be proved to the satisfaction of the Commission that the service rendered by such certificate holder in such territory is inadequate to the requirements of the public necessity and convenience; and if the Commission shall be of opinion that the service rendered by such certificate holder in such territory is in any respect inadequate to the requirements of the public necessity and convenience, such certificate holder shall be given reasonable time and opportunity to remedy such inadequacy before any such certificate shall be granted to an applicant proposing to operate in such territory.

Thus, § 56-265.3 requires that a public utility cannot provide service in a particular territory unless it first obtains a certificate of public convenience and necessity. Such a utility also incurs certain duties and obligations.[26] Further, § 56-265.4 precludes utilities from operating in another utility's service territory unless the incumbent utility is providing inadequate service. Even then, the incumbent utility is afforded an opportunity to cure the inadequacy.

We find that §§ 56-265.3 and 56-265.4, read together, provide for exclusive service territories that should be afforded significant protection. Moreover, Commission and court decisions underscore the fact that Virginia law provides for a high degree of protection of territorial grants. For example, the Virginia Supreme Court has stated that the exclusive right to serve is a "franchise" and "a valuable property right" that "is entitled to the protection of the courts."[27]

We do not agree with the Hearing Examiner's conclusion that case law supports the application of the point of delivery test in this case. As discussed, the Hearing Examiner relied, in part, on the Fort Mill and the Citizens cases. The Fort Mill and Citizens cases involved situations where customers of a telephone company wanted service from a telephone company other than one in whose certificated area the customers resided. The Fourth Circuit concluded in Fort Mill that individuals have a federal right[28] to use telephone equipment in ways that are privately beneficial if such use does not result in public detriment, and it is apparent that the decisions in these two cases were based, at least in part, on the existence of this federal right.[29] None of the parties has suggested that customers of electric utilities have a comparable federal right. Moreover, the Citizens case, by its own terms, is carefully limited to telephone service. Contrary to the Hearing Examiner's view, we find that the Commission in Citizens did not establish the point of delivery test as the general policy of the Commission for all utilities.

With respect to the cases from other jurisdictions, while the Commission is not bound by the decisions of other states, our review of these cases indicates that there is little support for the point of delivery test.[30] In fact, we have not been made aware of any jurisdiction with a statutory scheme similar to Virginia's, providing for exclusive service territories, that has adopted the point of delivery test.

Contrary to the Hearing Examiner's conclusion, we find the cases adopting the point of use test are persuasive. In reaching their conclusions, these cases discuss and compare both the point of use and the point of delivery tests.[31] These analyses make clear that, in contrast to the point of use approach, the point of delivery test allows the essence of exclusive service territories to be destroyed by customers that can manipulate delivery points to avoid the supplier for their area. The utility is then left with an obligation to serve its entire territory, but with no assurance that it will be allowed to do so. Such circumstances make planning for and serving the remaining customers more difficult and can increase costs for both the utility and its remaining ratepayers.

Nor do we find support for the adoption of the point of delivery test based on recent legislative and regulatory activities that were intended to expand customer choice. The Hearing Examiner found that, in light of the potential restructuring of the electric industry, including the General Assembly's support for customer responsive arrangements, and since the Code does not prohibit a private citizen from operating its own distribution line for private use,

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[26] See, e.g., § 56-234 of the Code of Virginia.

[27] Culpeper, 215 Va. 189, 194.

[28] Fort Mill, 719 F.2d at 92.

[29] Although the Commission did not rely specifically on Fort Mill in the Citizens case, the Fort Mill case was discussed by the Commission and it applied a test similar to the one the Fourth Circuit applied in Fort Mill. Citizens, 1984 SCC Ann. Rep. 354, 355-56.

[30] The Hearing Examiner considered Public Service Company of Colorado v. Colorado Public Utility Commission, 765 P.2d 1015, 99 P.U.R.4th 549 (Colo. 1988); Great Lakes Carbon Corporation v. Arkansas Public Service Commission, 31 Ark. App. 54, 788 S.W.2d 243, 114 P.U.R.4th 382 (1990); Central Illinois Public Service Company v. Illinois Commerce Commission, 202 Ill. App.3d 567, 148 Ill.Dec. 61, 560 N.E.2d 363 (1990), appeal denied, 136 Ill.2d 542, 153 Ill.Dec. 371, 567 N.E.2d 329 (1991); Lee County Electric Cooperative v. Marks, 501 So.2d 585 (Fla. 1987); Re Lukens Steel Company, 57 P.U.R.4th 524 (Pa. PUC 1984); Union Telephone Company v. Tipton Telephone Co. P.U.R.1933C 285 (Ind. PSC 1932); and In re: Establishment of Service Territory Boundaries Between Iowa Electric Light and Power Co., and D.E.K. Rural Electric Coop., Docket No. SPU-79-11 (Iowa SCC, 1981) Proposed Decision and Order (Issued March 20, 1981) and adopted by the Iowa State Commerce Commission on May 13, 1981, Docket No. SPU-79-11 ("D.E.K."). In all of these cases, with one exception, the state public utility commissions applied the point of use test. The one exception was the D.E.K. case in which the Iowa State Commerce Commission applied what the Iowa Supreme Court later characterized as the geographic load center test. See O'Brien County Rural Electric Cooperative v. Iowa State Commerce Corporation, 352 N.W.2d 264, 267-69 (Iowa 1984). None of these cases supports the point of delivery test and the Hearing Examiner distinguished these cases in large part because RGC was a new customer. The substance of these cases cannot be dismissed on this basis. Further, in a case involving a "new customer," the state public utility commission, and later the Mississippi Supreme Court, found that the point of use analysis was appropriate. See Capital Electric Power Assoc. v. Mississippi Power & Light Co., 218 So.2d 707 (Miss. 1968), 78 P.U.R.3d 242, 247-49, reh'g denied.

[31] See, e.g., Public Service Company of Colorado, 765 P.2d 1015, 1019-21; Central Illinois Public Service Company, 202 Ill.App.3d 573-74, 148 Ill. Dec. 61, 65-66, 560 N.E.2d 363, 367-68; Great Lakes Carbon Corporation, 31 Ark. App. 54, 60-62, 788 S.W.2d 243, 246-248; Lee County, 501 So.2d 585, 586-87.

the Commission should be reticent to deny customer choice where the law currently allows it.[32] In our view, current legislation that allows expanded customer choice in certain prescribed ways[33] does not eliminate the requirement of exclusive service territories.

Finally, we find that the point of delivery test, even with the limits and restrictions the Hearing Examiner would impose, does not comport with the protection afforded to certificated service territories by Virginia law. The law is designed to provide protection and certainty for service territories that the Examiner's approach does not recognize. Specifically, for example, if RGC is allowed to move its delivery point in order to be served by Virginia Power by purchasing a 4,000 foot strip of land, why should a customer not be allowed to achieve the same result upon acquiring an 8,000 or a 20,000 foot strip of land? Moreover, in this case, Prince George would continue to have the obligation to serve properties on both sides of the 4,000 foot strip. It could not be certain, however, that it would be allowed to provide service to these areas since, for example, a customer adjacent to the strip could rent or buy part of the RGC strip or perhaps space on, or an interest in, RGC's poles to run its own line to obtain service from Virginia Power.[34]

We must decide this case in a manner that is consistent with, and effectuates, the policy established by the General Assembly of ensuring and maintaining the integrity of service territories embodied in the Utility Facilities Act. In view of the significant protection afforded territorial grants in Virginia, we find that Virginia Power cannot provide electric service to RGC's mineral processing plant. Although we appreciate RGC's desire to be served by Virginia Power,[35] we cannot countenance RGC's achieving this goal by purchasing a strip of land approximately 30 feet wide and almost a mile long in order to reach into Virginia Power's service territory to place the meter. We cannot allow the parties to use this device to do indirectly what clearly cannot be done directly. While we do not here adopt any absolute test and will always consider the practical realities of each situation, we intend to ensure that our decisions enforce the Code's requirement of strong protection for the exclusive service territories of utilities in Virginia.

Accordingly, IT IS ORDERED that:

(1) RGC's petition for declaratory judgment is denied.

(2) Prince George's petition for declaratory judgment is granted insofar as we have determined that Virginia Power cannot provide electric service to RGC for its mineral processing plant.

(3) Virginia Power and Prince George, in consultation with RGC, shall submit to the Commission's Division of Energy Regulation within 30 days of the issuance of this Order a plan detailing how and when Prince George will begin providing service to RGC.

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[32] Hearing Examiner's Report at 11-12.

[33] E.g., § 56-235.2 of the Code of Virginia.

[34] We do not address here what activities might require RGC to be considered a public utility.

[35] According to the Joint Stipulation at 5, Virginia Power estimated its annual cost of providing electricity to RGC at approximately $543,379, in comparison to Prince George's estimated annual cost of $650,536. Thus, apart from any other differential in costs, RGC would have saved approximately $107,157 on an annual basis if it were allowed to purchase its electricity from Virginia Power. We encourage all utilities to take advantage of the tools available to them, such as the availability of special rates, contracts or incentives under § 56-235.2 of the Code of Virginia, to demonstrate greater flexibility and become more competitive. The Code's requirement of exclusive service territories may protect utilities in situations such as the one involved here, but it does not and cannot protect utilities from customers choosing to locate in another service territory or state that offers lower rates or from generating their own electricity.

CASE NO. PUE960295
NOVEMBER 6, 1998

PETITION OF
PRINCE GEORGE ELECTRIC COOPERATIVE

For declaratory judgment

and

PETITION OF
RGC (USA) MINERAL SANDS, INC.
and
RGC (USA) MINERALS, INC.

For declaratory judgment

ORDER TERMINATING PROCEEDING

In our June 25, 1998 Order on Petitions for Declaratory Judgment, we denied the petition of RGC (USA) Mineral Sands, Inc. and RGC (USA) Minerals, Inc. (collectively, "RGC"). In the same order, we granted the petition of Prince George Electric Cooperative ("Prince George" or "the Cooperative") insofar as we determined that Virginia Electric and Power Company ("Virginia Power") cannot provide electric service to RGC for its mineral processing plant. We directed Virginia Power and Prince George, in consultation with RGC, to submit within 30 days to the Commission's Division of Energy Regulation ("the Division" or "Staff") a plan detailing how and when Prince George will begin providing service to RGC.

In a filing made July 22, 1998, RGC advised that the parties had been unable to reach agreement on a plan for the transfer of service for RGC from Virginia Power to Prince George. We subsequently extended the time for the parties to submit a plan for the transfer of service to August 14, 1998.

We further directed the Division to submit a report on the agreement reached by the parties, and in the absence of an agreement, to make a recommendation detailing how Prince George should provide service to RGC. After receiving several extensions, the parties were required to submit a plan by September 18, 1998. Prince George and Virginia Power filed separate correspondence with the Division on that date.

Prince George described the terms of an "Agreement for Electric Service" it was to enter with RGC, and submitted a proposed tariff under which the Cooperative would provide service to RGC. Prince George stated that the plan provides for the Cooperative to provide service through the existing Virginia Power/RGC delivery point. Old Dominion Electric Cooperative ("ODEC"), Prince George's wholesale supplier, will provide power at the existing Virginia Power/RGC delivery point for Prince George's delivery to RGC. The Cooperative would purchase selected components of the facilities constructed by RGC to provide service to RGC. In using the existing Virginia Power/RGC delivery point, Prince George would provide service to RGC from a dedicated delivery point with no physical interconnection with Prince George's distribution system. No new construction of facilities would be necessary for Prince George to serve RGC.

Virginia Power advised that it and RGC had "agreed in principle" on terms for certain "abandonment charges" in the event RGC terminates electric service to its plant within ten years. Virginia Power also stated that certain issues concerning its liability to RGC for damages related to power supply remained unresolved.

On September 25, 1998, the Division filed a report on the parties' proposed plan for the transfer of RGC's electric service from Virginia Power to Prince George. It found that the plan, as outlined by the parties, is effective for the transfer of RGC's service from Virginia Power to Prince George. The report did not address the appropriateness of the proposed tariff, noting that it must still undergo approval procedures.

On October 23, 1998, counsel for Prince George advised Staff that the agreement described in its letter of September 18, 1998 had now been signed by the Cooperative and RGC, and that the agreement will become effective upon approval of the Cooperative's proposed tariff. Also on that date, Prince George filed a revised tariff addressing certain Staff recommendations. Following subsequent discussions with Staff, Prince George made an additional revision to its proposed tariff, and filed an amended revised tariff on October 29, 1998.

On October 30, 1998, the Division accepted the amended revised tariff, "Rate Schedule RGC, Dedicated Delivery Point Service," as a company-made rate, finding it to be an appropriate tariff for dedicated delivery point service. The Division approved the tariff effective for service rendered on or after October 30, 1998. The Division then filed a Final Report, detailing the resolution of this matter, and advising that the transfer of service to Prince George from Virginia Power for RGC is expected to take place effective for service on and after November 1, 1998.

On November 2, 1998, the Commission Staff filed a motion that this matter be closed and removed from the Commission's docket of active cases. In support of its motion, the Staff, reciting the sequence of events described above, stated that it and the parties had concluded their obligations imposed by the Commission's orders in this matter. On November 6, 1998, Prince George filed a response to the Staff motion. The Cooperative requested that the Commission not act on the motion until such time as RGC has withdrawn both its appeal of this case pending at the Supreme Court and its petition for a rule to show cause and temporary injunction filed with the Commission on July 21, 1998.

NOW THE COMMISSION, upon consideration of the parties' filings on September 18, 1998, the Staff's report of September 25, 1998, Prince George's filings of October 23, 1998, the Staff's final report of October 30, 1998 and its acceptance of Prince George's tariff for service to RGC, Staff's motion filed of November 2, 1998, and Prince George's response filed on November 6, 1998, is of the opinion and finds that the parties have complied with their obligations to effectuate the transfer of service for RGC from Virginia Power to Prince George, as required by our June 25, 1998 order. We will not delay in acting on the Staff's motion inasmuch as the parties have satisfied the requirements of our orders in this case. Accordingly,

IT IS ORDERED THAT there being nothing further to come before the Commission in this case, this proceeding is closed and the record developed herein shall be placed in the file for ended causes.

CASE NO. PUE960296
FEBRUARY 13, 1998

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION

Ex Parte: Investigation of Electric Utility Industry Restructuring -- Virginia Electric and Power Company

ORDER ON MOTION TO SIMPLIFY

On December 8, 1997, Virginia Electric and Power Company ("Virginia Power" or "Company") filed its Motion to Simplify Proceeding ("Motion"). In the Motion, Virginia Power sought permission to amend its application so as to eliminate its request for approval of a part of its proposed Alternative Regulatory Plan ("Plan").[1] On December 8, 1997, the Commission entered its Order Providing for Comment and Reply. The Commission Staff and interested parties were directed to file responses to the Motion and, along with Virginia Power, were permitted to file replies to responses of others. A number of pleadings were received.

On December 16, 1997, pursuant to the above order, Virginia Power filed its "Reply of Virginia Electric and Power Company and Amendment to Motion to Simplify Proceeding" ("Second Motion"). In this Second Motion, Virginia Power requested a further amendment to its proposed Plan.[2] On

[1] The portion sought to be eliminated was "Phase II" of the Plan, during which time the Company would recover stranded costs through what it designated as a "transition cost charge."

[2] This amendment would withdraw "Phase I" of the Plan, which features a 5-year rate freeze.

December 17, the Commission entered an order calling for responses to the Second Motion, which were filed on January 16, 1998, and replies, which several parties filed timely on January 23, 1998.

The responses to the Motion may be generally characterized as opposing the Motion. The parties indicated that a great deal of time and effort had been spent in analysis of the Plan, and in preparing responses and alternatives to it. Analysis of the rates proposed by the Company in Phase I of its Plan, and the uses toward which earnings generated during Phase I would be placed, was believed to be dependent upon analysis of the economic projections the Company set out in Phase II of the Plan. Additionally, and perhaps more importantly, the interested parties had expended significant resources in order to develop the record on issues of great importance to the case and, indeed, to the Commonwealth, as the study of electric utility industry restructuring has proceeded and are prepared to deliver the results of their labors in the context of the case as filed. Those responses that were filed to the Second Motion might best be characterized in the sentiment that "unilateral action by a utility to inhibit consideration of industry restructuring issues must not be permitted."[3]

The Company in its last pronouncement on the issue[4] reiterates that it no longer supports the concept embodied in the application, i.e., a rate freeze accompanied by accelerated "write-down" of certain costs and a transition cost charge, but instead is now of the opinion that what is needed is

> the establishment, on a reasonable timetable, of institutions and protocols to facilitate a fully competitive wholesale electricity market, including one or more independent system operators, one or more regional power exchanges, and requirements that all power to be sold at retail must be obtained through wholesale market arrangements.[5]

Virginia Power indicated its belief that these arrangements would require authorization by the General Assembly and that "it expects such legislation to be introduced in the 1998 General Assembly."[6] In addition, the Company asserts that requiring "retention of the Plan will needlessly complicate and extend the proceeding for no good purpose" and that the Commission's study of electric industry restructuring will not "be benefited by discovery, public hearings, and briefs on an abandoned proposal that no one supports."[7]

Finally, Virginia Power takes the position that the Commission is without authority to approve alternative plans other than the one that it seeks now to withdraw, because § 56-235.2 B of the Virginia Code provides for the approval of alternative regulatory plans only "upon application of an electric utility or upon the Commission's own motion and then only after notice and hearing." The Company asserts that no "notice has been given of any plans other than the one the Virginia Power now seeks to withdraw."[8]

NOW THE COMMISSION, having considered the Motion, the Second Motion, the responses and replies thereto, and the applicable statutes and rules, is of the opinion that the motions should be granted, in part, at this time. The matters at issue in this proceeding are vastly complex and, at the same time, vastly important to the Company, its ratepayers and to the economic and environmental well-being of the Commonwealth.

At the same time, it must be practically recognized that no purpose is served in requiring an applicant to advocate a particular end it no longer believes serves its interests. Accordingly, Virginia Power will be allowed to withdraw its support of the Plan. However, as the Commission established at the outset of this matter, the Commission will continue to consider the reasonableness of the Company's proposed Plan, and any amendments or modifications to it the Commission finds necessary to conform the Plan to the requirements of the Code of Virginia, regardless of the proponent of such modification.[9]

The Commission will also consider any alternative form of regulation proposed by the Staff, as it clearly may do under the Code. Virginia Power has been on notice since April 30, 1997, that the Commission would so act in this case. The Commission's intention is not to encumber Virginia Power with any particular form of regulation, but simply to ensure that reasonable alternatives compliant with the law are considered, in order to assure that the public interest is served. If an alternate form of regulation is proposed by the Staff, or modifications of the Plan are championed by others, the Company will be given every opportunity, and indeed will be expected, to respond as it believes necessary to protect its own, and the public's, interest.

Finally, although the Company will, or may, no longer support the Plan, the testimony of its witnesses that did so will remain filed in this docket and the Commission expects that witnesses who originally supported the Plan will be made available by the Company for cross-examination during the public hearing of these matters. As the case proceeds, and as other developments occur, the Company may find itself returning to its advocacy of the Plan, or may propose a different form of regulation in response to a proposal from others.

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[3] *Response of the Apartment and Office Building Association of Metropolitan Washington to Virginia Electric and Power Company's Request to Withdraw its Application for Approval of an Alternative Regulatory Plan*, at 3.

[4] *Second Reply of Virginia Electric and Power Company*, January 23, 1998.

[5] Id., at 4. Emphasis in original.

[6] Id., at 5.

[7] Id., at 13.

[8] Id., at 11.

[9] "The Commission may approve or reject the Plan filed by Virginia Power, or it may make such alteration to the Plan as necessary to meet the requirements of the Code, or it may adopt its own plan in this proceeding." Order for Notice and Hearing, April 30, 1997, at 7. At page 8 of this Order, the Commission further stated its intent to consider "the reasonableness of the Company's proposed Plan, and any amendments, revisions or alternatives to the Plan proposed by the Staff or interested parties."

Accordingly, IT IS ORDERED that:

(1) The Motion and Second Motion of Virginia Power are granted and denied to the extent set forth herein;

(2) All testimony now filed in this case shall remain so filed and not less than 21 days prior to the hearing on the merits in this proceeding the Company shall notify the parties and Staff of any witness(es) who have prefiled testimony that the Company does not intend to have available; and

(3) The Commission shall consider the Plan, modifications to the Plan, and other alternate forms of regulation proposed by the Staff and the Company in this case, and necessary modifications thereto.

CASE NO. PUE960302
APRIL 27, 1998

COMMONWEALTH OF VIRGINIA, ex rel.
FRANK OTT, et al.
v.
WINTERGREEN VALLEY UTILITY COMPANY, L.P.,
Defendant

FINAL ORDER

By letter dated October 4, 1996, Wintergreen Valley Utility Company, L.P. ("Wintergreen" or "the Company") notified its customers pursuant to the Small Water or Sewer Public Utility Act (§§ 56-265.13.1 et seq. of the Code of Virginia) of its intent to revise its tariff for water and sewer service effective December 1, 1996.

The Company proposes the following revisions in rates:

Water Rates (per month)

	Current	Proposed
Residential	$15.00 includes 6,000 gallons	$16.50 includes 4,000 gallons
	$2.40 per 1,000 gallons for usage over 6,000 gallons	$4.50 per 1,000 gallons for usage over 4,000 gallons
Availability Fee	$4.25	$4.25
Commercial	$180.00 includes 120,000 gallons	$16.50 includes 4,000 gallons
	$2.40 per 1,000 gallons for usage over 120,000 gallons	$4.50 per 1,000 gallons for usage over 4,000 gallons

Sewer Rates (per month)

	Current	Proposed
Residential	$30.00 includes 6,000 gallons	$28.00 includes 4,000 gallons
	$2.70 per 1,000 gallons for usage over 6,000 gallons	$5.40 per 1,000 gallons for usage over 4,000 gallons
Availability Fee	-0-	$5.00
Commercial	$360.00 includes 120,000 gallons	$28.00 includes 4,000 gallons
	$2.70 per 1,000 gallons for usage over 120,000 gallons	$5.40 per 1,000 gallons for usage over 4,000 gallons

The Company also proposes to increase its service connection fees and its reconnect fees. The proposed reconnect fee would increase from $15.00 to $25.00 and would expand to include changes in ownership as well as violators of the Company's rules and regulations of service. In addition, the Company proposes to include a $1.00 per month charge for the installation of irrigation meters at the customer's request.

By November 8, 1996, the Commission had objections from approximately 30% of the Company's affected customers. On November 26, 1996, the Commission entered a Preliminary Order suspending the proposed rates for a period of sixty days and declaring such rates interim and subject to refund, with interest, on and after January 30, 1997. By order entered on December 20, 1996, the Commission established a procedural schedule for the filing of pleadings, testimony, and exhibits and set the matter for hearing before a hearing examiner on July 22, 1997.

In response to customers' requests for local hearings, the Hearing Examiner, in an April 3, 1997 Ruling, scheduled such hearings for July 22, 1997. The Examiner scheduled the remaining portion of the hearing for September 4, 1997.

Pursuant to that Ruling, local hearings were held on July 22, 1997, before Hearing Examiner Howard P. Anderson, Jr. Seven witnesses appeared at the hearings. The speakers mainly objected to the Company's proposed reduction in the minimum usage threshold. There was one complaint about the Company's inability to read meters on the same day of each month and another complaint about the lack of detail on the Company's bill regarding customers' sewer usage. Another witness questioned the Company's management practices with regard to a possible conflict of interest since one of the employees of the management company also served as director of the development firm.

A hearing was also held on September 4, 1997, before Hearing Examiner Anderson. Counsel appearing were Stuart R. Sadler for the Company and Marta B. Curtis and C. Meade Browder, Jr., for the Commission Staff.

At the commencement of the hearing the Company presented proof of notice. There were no intervenors that appeared at the hearing.

The only issues at the hearing concerned availability fees. Staff recommended a monthly water availability fee of $6.00 and a monthly sewer availability fee of $6.00. Staff also recommended that the development firm, Wintergreen Development Corporation, Inc., be required to pay availability fees for any of the lots it owns. The Company argued that Staff's recommendation for an increase in the water availability fee was improper since those fees had been set by individual contracts with each of the lot owners.

Although not at issue, Staff recommended booking certain accounting adjustments and keeping detailed records of services performed by the management firm, MeadowBrooke Associates ("MBA"). Staff also recommended that Wintergreen make revisions to its tariff with specific reference to changing the language relevant to the reading of meters and omitting the language in Rule 10(c) relevant to the billing of tenants.

On January 26, 1998, the Hearing Examiner filed his Report. The Examiner found that:

1. The use of a test year ending December 31, 1996, is proper for this proceeding;

2. The Company's test year operating revenues, after all adjustments, were $62,571;

3. The Company's test year operating expenses, after all adjustments, were $89,887;

4. The Company's test year adjusted operating income (loss), after all adjustments, was ($27,316);

5. The Company's rate base, after all adjustments, is $34,202;

6. Staff's accounting adjustments and bookkeeping recommendations are reasonable and should be adopted;

7. The Company requires additional gross annual revenues of $28,418, which will afford the Company a combined (water and sewer) 3.22% rate of return on rate base;

8. The Company's proposed rules and regulations, as modified by Staff, are just and reasonable and should be approved;

9. The elimination of Rule 10(c) from the Company's tariff should be approved;

10. The Company's proposed rates and tariffs, as modified by Staff, are just and reasonable and should be approved;

11. The Company's availability fees should be set at $6.00 for water and $6.00 for sewer; Wintergreen Development, Incorporated, should pay availability fees for the lots it owns; and

12. The Company should keep detailed records of MBA and other third party charges and these charges should be separated between water and sewer operations, effective as of the date of the final order in this proceeding.

The Examiner recommended that the Commission enter an order that adopts the findings in his report; grants the Company an increase of $28,416 in gross annual revenues; approves the Company's tariff, as modified therein, and dismisses the case from the Commission's docket of active cases.

In adopting Staff's accounting adjustments and revenue requirements, the Examiner also adopted Staff's recommended rate design. Specifically, Staff recommended the following monthly rates.

	Water	Sewer
Residential	$16.50 includes 4,000 gallons	$35.00 includes 4,000 gallons
	$3.40 per 1,000 gallons for all usage in excess of 4,000 gallons	$6.40 per 1,000 gallons for all usage in excess of 4,000 gallons
Commercial	$250.00 includes 120,000 gallons	$430.00 includes 120,000 gallons
	$3.40 per 1,000 gallons for all usage in excess of 120,000 gallons	$6.40 per 1,000 gallons for all usage in excess of 120,000 gallons

The Examiner also adopted Staff's recommendation regarding the Company's proposed service connection charges and miscellaneous charges; specifically, that service connection charges be set at actual cost and that the Company's proposed reconnect fee and meter installation fee be accepted.

NOW THE COMMISSION, having considered the Examiner's Report and the record, is of the opinion that the Examiner's findings and recommendations are reasonable and should be adopted. We agree with the Examiner that availability fees of $6.00 are reasonable. It appears from the

record that there are contracts requiring the purchasers of lots to pay a $4.25 water availability fee and, for some purchasers, a $5.00 sewer availability fee. (Exhibit CGN-2 at 3.) We will raise those availability fees for such existing customers.

We will also require the development firm to pay water and/or sewer availability fees. The developer shall be required to pay such availability fees on those lots it owns that do not currently receive water and/or sewer service, but where such services are available upon request. The development firm is an entity separate from the utility with actual and constructive knowledge of such fees. We have previously permitted imposition of availability fees through contract or restrictive covenant in order that purchasers of property have notice of such fees. Notice is required so that a prospective purchaser not be made a customer of the utility involuntarily. Those who purchase with full knowledge of such fees choose to avail themselves of the benefits provided by the availability of utility service. The developer has knowledge of the existence of availability fees and has obtained the benefit of having an established water and sewer system. It should share the cost of maintaining such systems with purchasers of lots since § 56-265.13:4 of the Code of Virginia requires that " . . . charges made by any small water or utility . . . shall be uniform as to all persons or corporations using such service under like conditions . . .."

Implicit in our finding is the conclusion that an availability fee is a charge for a service[1] subject to the Commission's regulation pursuant to the Small Water or Sewer Public Utility Act. As the Examiner notes, the Commission has the authority to regulate and control rates of public utilities, pursuant to the police power of the State and nonwithstanding rates previously established by contract.[2] See Commonwealth of Virginia ex rel. The Page Milling Company, Inc. v. Shenandoah River Light & Power Corporation, 135 Va. 47 (1923).

IT IS ORDERED THAT:

(1) The findings and recommendations of the Hearing Examiner as detailed in his January 26, 1998 Report are hereby adopted.

(2) Wintergreen be, and hereby is, granted $28,416 in additional gross annual revenues.

(3) Wintergreen's proposed rates and tariffs, as modified herein, are approved.

(4) On or before June 1, 1998, Wintergreen shall file with the Commission's Division of Energy Regulation revised tariffs reflecting the rates, charges, and rules and regulations of service approved herein.

(5) On or before June 1, 1998, the Company shall file with the Division of Energy Regulation a statement detailing the number and location of developer-owned lots that will now be subject to availability fees in accordance with the terms of this Order.

(6) The Company shall implement Staff's booking recommendations.

(7) This case be, and hereby is, dismissed from the Commission's docket of active cases and the papers placed in the file for ended causes.

[1] Section 56-265.13:2 defines "service" as any product or commodity furnished by a small water or sewer utility as well as equipment, apparatus, appliances and facilities related to the purpose for which the utility is established. (emphasis added).

[2] APCO v. Walker, 214 Va. 524 (1974) is not controlling. In that case, the Virginia Supreme Court held that the Commission does not have exclusive jurisdiction to adjudicate a common law contract claim between an individual and a public service corporation, as opposed to a claim concerning a public duty imposed by law upon public service corporations. Here, the issue is the Company's availability fee; that fee is a component of the Company's schedule of rates and charges, and rules and regulations, subject to the Commission's jurisdiction.

CASE NO. PUE960359
MAY 1, 1998

APPLICATION OF
HIGH KNOB ASSOCIATES, L.C.
HIGH KNOB OWNERS' ASSOCIATION, INC.
and
HIGH KNOB UTILITIES, INC.

For approval of the transfer of a certificate of public convenience and necessity

FINAL ORDER

On December 11, 1996, High Knob Associates, L.C.("HK"), High Knob Homeowners' Association (the "Association") and High Knob Utilities, Inc. ("HK Utilities" or "Company"), (collectively, the "Applicants") filed an application pursuant to § 56-265.3 D of the Code of Virginia. The Applicants request authority to transfer the certificate of public convenience and necessity authorizing HK to provide water service to residents of the High Knob subdivision in Warren County, Virginia, to HK Utilities. By order dated May 9, 1997, the Commission appointed a Hearing Examiner to conduct all further proceedings, established a procedural schedule, and set the matter for hearing on October 1, 1997.

Pursuant to the June 5, 1997 Hearing Examiner's Ruling, the Applicants were granted authority to amend their application to reflect a proposed increase in the connection fee from $500 to $700 and to give revised notice of the amended application.

A hearing was held on October 1, 1997, before Hearing Examiner, Howard P. Anderson, Jr. Counsel appearing were Kenworth E. Lion, Jr., for the Applicants and Marta B. Curtis for the Commission Staff. Protestants Joe and Hilda Mitchell appeared pro se. Donald and Brenda Nemec and Harold and Marie Lewis filed Notice of Protest but later advised the court that they did not wish to participate in the proceeding.

Three witnesses appeared at the hearing. One witness expressed concern regarding the administrative practices of the utility and the difficulty in obtaining information regarding the water system. Another witness expressed concern regarding encumbrances on the water system. The third witness requested a continuance in the proceeding pending a decision from a circuit court judge concerning encumbrances on the assets of the Company. That motion was denied.

At the commencement of the hearing, the Company presented proof of notice.

The only issue at the hearing was the Company's proposed connection fee[1]. Staff objected to any increase in that fee. Staff recommended that, if the actual cost of the connection fee was less than the tarriffed rate, the excess cash received be placed in an escrow account and used for future improvements.

On April 10, 1998, the Examiner filed his Report. The Examiner found that:

1. The certificate of public convenience and necessity to provide water service to the High Knob Subdivision should be transferred to HK Utilities;

2. The Company's request for an increase in its connection fee should be denied;

3. The Company should maintain a separate set of books for the utility in accordance with the Uniform System of Accounts for Class "C" Water Utilities;

4. The Company should depreciate plant and amortize contributions at a three percent composite rate;

5. Use of an escrow account for excess connection fees is not necessary at this time; and

6. The Company should maintain sufficient property records and documentation to support all plant additions, including labor costs.

The Examiner recommended that the Commission enter an order that adopts the findings in his report; grants the request for transfer of the certificate of public convenience and necessity to serve the High Knob Subdivision in Warren County, Virginia; and dismisses this case for the Commission's docket of active cases.

No comments were filed to the Hearing Examiner's Report.

NOW THE COMMISSION, having considered the Examiner's Report and the record, is of the opinion that the Examiner's findings and recommendations are reasonable and should be adopted. We agree that it is reasonable to grant the Applicants' request for transfer of the certificate. We will, however, accomplish such transfer by cancelling the certificate of HK and issuing a new certificate to HK Utilities. Accordingly,

IT IS ORDERED THAT:

(1) The findings and recommendations of the Hearing Examiner be, and hereby are, adopted.

(2) Certificate No. W-279 issued to High Knob Associates, L.C. be, and hereby is, cancelled.

(3) High Knob Utilities, Inc., shall be granted Certificate No. W-289 to provide water service to the High Knob Subdivision in Warren County, Virginia.

(4) That High Knob shall implement the booking and record keeping recommendations found proper in the Examiner's Report.

(5) This is hereby dismissed form the Commission's docket of active cases and the papers placed in the file for ended causes.

[1] Protestants Joe and Hilda Mitchell expressed concern that deeds transferring the water system were subject to encumbrances. In his April 10, 1998 Report, the Examiner noted that there was no evidence in the record of such encumbrances and that, if such encumbrances were established, the impact of those encumbrances on rates was beyond the scope of this proceeding.

CASE NO. PUE970001
JANUARY 21, 1998

APPLICATION OF
APPALACHIAN POWER COMPANY

To revise its cogeneration tariff pursuant to PURPA section 210

ORDER APPROVING APPLICATION

On December 20, 1996, Appalachian Power Company ("Apco" or the "Company") filed an application to modify its cogeneration and small power production rates under its Schedule COGEN/SPP (the "Schedule"). By Order dated February 13, 1997, the Commission docketed the instant proceeding, established a procedural schedule and directed Commission Staff to investigate the reasonableness of the Company's proposal.

Currently under the Schedule, standard energy payments and capacity payments (either time differentiated or non-time differentiated) are available to qualifying cogenerators or small power producers (collectively, "QFs") with a capacity of 1000 kW or less. Under the Schedule, QFs may lock into estimated energy payment rates, with a corresponding contract duration, for up to thirty years. Payment rates for firm capacity are specified in the Schedule but are subject to periodic revisions, as approved by the Commission. QFs are required under the Schedule to pay monthly charges to compensate the Company for metering and interconnection costs.

Apco proposes to reduce the schedule availability threshold from 1000 kW to 100 kW or less. In addition, the Company proposes to:

(i) eliminate the option of locking into estimated energy payments for up to thirty years;

(ii) eliminate the non-time differentiated payment option;

(iii) update the energy payment rates;

(iv) eliminate the capacity payment rates;

(v) update the monthly metering charges; and

(vi) require a deposit for the interconnection installment option of 25 percent of the total interconnection cost.

On September 11, 1997, Hearing Examiner Howard P. Anderson, Jr. issued his Report recommending that Schedule COGEN/SPP be approved, with certain modifications. The Hearing Examiner found that the availability threshold should be reduced from 1000 kW to 100 kW. He stated that the 100 kW threshold would permit Apco to scrutinize larger QF projects on a case-by-case basis and to gauge the specific impact of the project on the Company's avoided costs. Apco Hearing Report at 2-4.

With respect to capacity payments, the Hearing Examiner recommended that Apco's proposal to eliminate the available capacity payments be approved at this time based on the Company's planning assumption that no additional capacity will be required for the next five years (i.e., until at least the year 2002). Moreover, he agreed with Staff that estimates of long-term avoided costs hold no validity in the current environment and noted Staff's view that Apco's expansion plan is rational and is typical of the responses of most electric utilities to the changes occurring in the electric utility industry. The Hearing Examiner also recommended that the option available to QFs of locking into estimated energy payments for up to thirty years should be eliminated and that the maximum QF contract term and planning horizon for determining avoided costs should be shortened from thirty years to five years. He stated that a five-year contract term and planning horizon would be appropriate and consistent with the goal of minimizing the incurrence of potential stranded costs. The Hearing Examiner noted that the Company believes that locking into energy payments for longer periods of up to thirty years exposes both ratepayers and QFs to unnecessary risks due to the unreliability of projected energy costs. Id. at 4-7.

Additionally, the Hearing Examiner found that:

(i) Apco's avoided energy payments should be based on annually updated marginal cost projections;

(ii) The Company's proposed revisions to its metering charges and its proposed customer charge are reasonable and should be approved;

(iii) Apco's proposed security deposit for its local facilities charge is reasonable and should be approved; and

(iv) The Company should be required to file a periodic revised schedule on a biennial basis rather than on an annual basis, with the next filing due in 1999.[1] However, the Company should consult with Staff on an annual basis and should provide annual avoided energy cost estimates in December of each year.

Comments on the Hearing Report were filed by Mr. John K. Pollock, on behalf of Hydro-Nelson Limited Partnership ("Hydro-Nelson"), and Mr. Mark Fendig, President of Luminaire Technologies, Inc.[2] Both companies have contracts in effect that were executed under the Schedule.

Mr. Pollock asserts that the Examiner failed to address several issues, including "the question of PURPA [§] 210 sovereignty over this case in regard to contract length and the rights of QFs" and Apco's current methodology of calculating capacity payments. Mr. Pollock urges the Commission to make its own determination of "the legal rights of QFs to choose long term contracts under PURPA." Mr. Pollock asserts that Staff "seems to [have] rationalized its lack of unbiased evaluation and disregard for Federal law on the extreme uncertainties of future electrical deregulation." Mr. Pollock states that the General Assembly has passed a resolution encouraging small scale hydro generation that should be taken into account in this case.

Mr. Fendig objects to the Hearing Examiner's recommendations that capacity payments be eliminated and energy payments be reduced. Mr. Fendig argues that the Examiner ignores the impact of Apco's proposed revisions on Virginia's existing renewables industry and on the State's environment. Mr. Fendig asserts that the production of renewable energy has cost benefits that "go well beyond the raw energy costs Apco calculates in current avoided energy cost." He urges the Commission "not to blindly [accept] Apco's requests solely based on the potential cost to ratepayers," and exhorts the Commission to "look further into other hidden costs such as future environmental impact costs to our state."

NOW THE COMMISSION, upon consideration of the record and the September 11, 1997 Hearing Report, the comments thereto, and the applicable statutes and rules, is of the opinion that the findings and recommendations of the Hearing Examiner should be adopted in their entirety.

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[1] The Hearing Examiner suggests that if conditions so warrant, the Company could request a deferral at that time. Apco Hearing Report at 9.

[2] On September 9, 1997, Mr. Pollock filed a motion to extend the time for filing comments on the Hearing Report by two weeks to October 10, 1997. By Order dated October 2, 1997, the Commission granted that motion.

We appreciate the intervenors' concerns about the possible impact of adopting the Hearing Examiner's recommendations on their businesses and potentially on the environment; however, we must consider a number of factors in reaching our decision. As Staff points out, the electric industry is surrounded by a great deal of uncertainty as a result of the advent of wholesale competition and the prospect of retail competition. We agree with Staff that the current condition of the electric utility industry warrants shorter term commitments for QF purchases. Moreover, shortening utilities' commitments to purchase energy and capacity made available by QFs will provide an incentive for electric utilities to minimize the incurrence of potential stranded costs, which is appropriate public policy given the present state of the industry.

We believe that, in adopting the change in policy embodied in this order, we are fulfilling our statutory obligations. While PURPA requires the promulgation of rules that require utilities to purchase energy and capacity from qualifying facilities, it also requires that payments to QFs are just and reasonable to the utility's ratepayers and that payments do not exceed the utility's avoided cost of alternative energy.[3] Thus, Federal law gives the States flexibility in determining the appropriate balance in meeting PURPA's competing goals of encouraging cogeneration while maintaining ratepayer neutrality. Indeed, as Staff points out, neither PURPA nor the FERC's regulations implementing PURPA require a minimum length of commitment on the utility's part to purchase power from a QF.

We note that, while we are approving the Company's proposal to shorten the planning horizon to five years and to limit the maximum QF contract term to five years, the length of the planning horizon and contract term need not necessarily be the same. In this case, the two coincide based on the unique circumstances of this case and, in particular, the Company's expectation that no new capacity need be added for the next five years. However, if Apco should determine that it will require additional capacity in that time frame and decides to build generation or purchase capacity through long-term contracts, the Company must advise Staff of such well in advance so that Staff may evaluate whether Apco's Schedule should be revised to reflect such changes.

In sum, we believe that the use of a planning horizon of five years and a maximum QF contract term of five years in this case appropriately balances our obligations under PURPA with a necessary recognition of the significant changes occurring in the electric utility industry.

Accordingly, IT IS ORDERED THAT:

(1) The findings and recommendations of the September 11, 1997 Hearing Report are adopted in their entirety.

(2) There being nothing further to be done herein, this matter shall be dismissed from the Commission's docket of active proceedings.

[3] See 16 U.S.C. § 824a-3; 18 C.F.R. § 292.201 et seq.

CASE NO. PUE970119
FEBRUARY 27, 1998

APPLICATION OF
ROBERT A. WINNEY, d/b/a THE WATER WORKS COMPANY OF FRANKLIN COUNTY

For a certificate of public convenience and necessity authorizing the furnishing of water

INTERIM ORDER

Before the Commission is the application of Robert A. Winney d/b/a The Water Works Company of Franklin County ("Winney" or "Company") for a certificate of public convenience and necessity authorizing the furnishing of water in the Lakemont, Mallard Point, Overlook, and Starwood subdivisions in Franklin County. On January 20, 1998, Hearing Examiner Michael D. Thomas filed his Report recommending that the Commission issue the certificate and fix rates for service. The Hearing Examiner also recommended that the Commission direct the Company to delete references to certain charges in its rates, rules, and regulations. In addition, he recommended that the Commission require the Company to establish a separate set of books and records in accordance with the Uniform System of Accounts for Class C Water Utilities and to notify customers of procedures for reporting emergencies or loss of service.

On February 2, 1998, the Commission received from the Company correspondence discussing expenses incurred and rates; rules and regulations dated January 1, 1997; and rates, rules and regulations dated March 11, 1998. The Commission will treat this filing as comments on the Hearing Examiner's report.

In addition, the Commission Staff filed on February 4, 1998, its Comments on the Hearing Examiner's Report. While the Staff supported issuance of a certificate in its testimony and exhibits offered in this proceeding, it concluded that the record developed at the hearing indicates a number of managerial and organizational problems. The Staff recommended that the Commission continue the case and direct the Company to establish and report on several managerial measures.

The Commission has reviewed the Hearing Examiner's Report, the comments, and the record developed in this proceeding. As discussed in this order, the Commission has considered the grant of the application for a certificate. We will, however, defer ruling on the certificate request until several requirements discussed in this order are satisfied.

As Examiner Thomas found, and we agree, the record establishes that the Company is a public service company and a public utility, as those terms are defined in Title 56 of the Code of Virginia. The Company is subject to all requirements established by law and to the Commission's jurisdiction. As provided by §§ 56-265.1 and 56-265.3 of the Code of Virginia, a public utility providing water may not furnish this service without securing a certificate of public convenience and necessity from the Commission.

Before issuing a certificate, the Commission must consider the ability of the applicant to render adequate service. While there are questions about procedures for responding to customer service problems and emergencies, the record also established that the Company is providing potable water to customers.

Upon consideration of the entire record and the Commonwealth's policy of certification set out in the laws which we enforce, the Commission finds that the application for a certificate may be granted upon the fulfillment of the conditions established herein and further order of the Commission. As discussed below, these requirements include filing maps showing service territory; filing a schedule of rates, charges, rules, and regulations conforming to this Interim Order; making the refund directed in this Interim Order; and establishing books and records.

The Commission will defer final action on this application until maps clearly delineating the Company's service territory are filed. The Company has submitted parts of subdivision plats showing the location of lines and facilities. These documents do not, however, clearly show the boundaries of the service territory or its general location in Franklin County. Maps providing sufficient information must be filed with the Commission before final action can be taken on the application.

The Commission, through our Division of Energy Regulation, has required the filing of two quadrangle maps of the 7.5 Minute Series (Topographic) established by the U.S. Department of the Interior, Geological Survey in conjunction with the Commonwealth of Virginia's Division of Mineral Resources. The boundaries of the service territory are indicated on each copy of the map. One map is attached to and made part of the certificate of public convenience and necessity on file with the Commission and the other map is attached to a copy of the certificate provided to the utility. Using the 7.5 Minute Series provides uniformity for the utility territorial certification program. The Commission notes that these maps are distributed at modest cost by state and federal agencies, and they may be ordered by mail. To assist the Company in meeting this requirement, we direct our Division of Energy Regulation to provide Mr. Winney the mailing addresses of the agencies distributing the maps and the relevant information he will need for placing an order.

With regard to rates and charges, the Hearing Examiner recommended in his Report that the Commission establish revised rates for service. Upon consideration of the record, the Commission will fix a rate of $67.50 per quarter, payable in advance, for water service. We will also fix the annual charge for availability of service at $60.00, payable on or before January 15. Both rates will become effective on the date of this order.

The Company bills in advance, and the quarterly charge for service due on or before January 1, 1998, was $100.00. Customers are entitled to a refund of the difference between the rate paid, $100.00, and the rate we fix, $67.50, pro rated from the date of this order through March 31, 1998. This pro rata reduction amounts to $11.98. While the Commission would normally require a refund, we note the small size and limited resources of this Company. Accordingly, in lieu of a refund, the Commission will direct a one-time reduction in the quarterly payment due April 1, 1998, from $67.50 to $55.52. The quarterly rate due July 1, 1998, and thereafter will be $67.50.

The availability charge due in January, 1998, was $100.00. Customers shall receive a refund, pro rated from the effective date of this order, for the difference between $100.00 and $60.00, the charge we fix in this proceeding. The refund is $35.33, which we direct the Company to make promptly. Proof of refunding shall take the form of copies of cancelled checks payable to each customer as shown in billing records, or such other proof as the Commission's Director of Public Utility Accounting may accept.

The Hearing Examiner also recommended that the Company remove turn-on charges, bad check charges, and connection fees from its schedule of rates and charges. We adopt these recommendations. The record establishes that there was insufficient justification for these charges and, more importantly, customers had no notice of these proposed charges, as required by law.

The Commission finds that the Company may require customer deposits as provided by our Rule Governing Utility Customer Deposit Requirements, 20 VAC 5-10-20. A customer deposit may not exceed the equivalent of the customer's estimated liability for two months usage, and interest must be paid on these deposits. Further, residential deposits may not be held longer than one year. Should the Company require deposits, the Commission expects scrupulous compliance with this rule. Likewise, the Company may apply a late payment charge of up to 1.5 percent per month as authorized by our Rules on Meter Testing, Bad Check Charges and Late Payment Charges, 20 VAC 5-10-10 C.

As we concluded with regard to other matters, the Commission will defer final ruling on this application until a schedule of rates, charges, rules, and regulations conforming to this Interim Order and bearing the date of this Interim Order, February 27, 1998, as the effective date is filed.

With regard to books and records, we adopt the Hearing Examiner's recommendation that the Company establish books and records in conformity with the Uniform System of Accounts for Class C Water Utilities. The record shows that the books, records, and papers were in some disarray. Efficient regulation by the Commission requires maintenance of proper records. The Commission expects the Company to take steps to organize its records and to implement the Uniform System of Accounts.

The Company must demonstrate to the Director of Public Utility Accounting that it has established books and records as required by the Uniform System of Accounts before the Commission will consider issuing the certificate.

Only after these conditions are satisfied will the Commission rule on the certificate application. Accordingly,

IT IS ORDERED THAT:

(1) The application of Robert A. Winney d/b/a The Water Works Company of Franklin County is granted in part and continued in part.

(2) Upon the filing of appropriate maps showing the service territory boundaries; demonstration of compliance with the Uniform System of Accounts; and compliance with (3)-(6) below, the Commission will consider further the issuance of a certificate of public convenience and necessity.

(3) On or before March 18, 1998, the Company shall file with the Commission's Division of Energy Regulation, State Corporation Commission, P.O. Box 1197, Richmond, Virginia 23218-1197 revised rates, rules and regulations with the date of this Interim Order, February 27, 1998, as the effective date, and conforming in all respects to this Interim Order; and containing no provisions imposing service connection fees, turn-on charges, or bad-check charges.

(4) Notwithstanding ordering paragraph (3) above, the quarterly rate for water service, payable in advance, due on or before April 1, 1998, for the second quarter of 1998 shall be $55.52; thereafter, the quarterly rate for water service shall be as set out in the rates, rules and regulations ordered to be filed in (3).

(5) On or before March 18, 1998, the Company shall make a refund in the amount of $35.33 to each customer paying an availability charge for 1998.

(6) On or before April 15, 1998, the Company shall file with the Clerk of the Commission, Document Control Center, State Corporation Commission, P.O. Box 2118, Richmond, Virginia 23218-2118 the names and mailing addresses of all customers paid a refund; the date the refund was made; and the check number of each refund check.

(7) This proceeding be continued until entry of a final order issuing the certificate of public convenience and necessity as discussed herein.

CASE NO. PUE970119
APRIL 28, 1998

APPLICATION OF
ROBERT A. WINNEY, d/b/a THE WATERWORKS COMPANY OF FRANKLIN COUNTY

For a certificate of public convenience and necessity authorizing the furnishing of water

ORDER MODIFYING REFUND DATE

On February 27, 1998, the Commission entered its Interim Order addressing this application for a certificate of public convenience and necessity authorizing the furnishing of water to several subdivisions in Franklin County. The Commission concluded that it would defer ruling on the application until Robert A. Winney d/b/a The Waterworks Company of Franklin County ("Company") satisfied several requirements set out in the Interim Order. Among other things, the Commission directed the Company to make a refund of $35.33 to all customers who had paid an availability charge of $100 in January, 1998. The refund was to be paid on or before March 18, 1998, and the Company was to file proof of refunding with the Clerk of the Commission on or before April 15, 1998.

Subsequently, the Company wrote the Commission's Division of Energy Regulation concerning various requirements established in the Interim Order. This letter was filed with the Commission's Document Control Center on March 23, 1998, and assigned Document Control No. 980330007. The Commission will treat the letter as part of the record in this proceeding. According to this letter, the Company was experiencing severe cash flow problems and did not have sufficient cash on hand to make the refund.

On February 2, 1998, the Company filed with the Commission an application for an increase in rates and charges, which has been docketed as Case No. PUE980057. The Commission has suspended the effective date of the proposed revision and rates and charges through July 2, 1998, and established procedures for an investigation and hearing. On March 6, 1998, in Case No. PUE980057, the Company filed a pleading assigned Document Control No. 98030248 which also details its current financial difficulties. Given the relationship of this document to matters in this proceeding, the Commission has made this March 6 filing a part of the record in this Case No. PUE970119.

The Commission will treat the two documents as a request for an extension in the date for making the refund to customers paying the availability fee in January 1998. While we expect the record developed in Case No. PUE980057 to establish the Company's current financial condition, the Commission is sensitive to the limited resources available to the Company. While we do not, at this time, make any findings concerning the Company's financial condition, the Commission will extend the date for making the refund to July 15, 1998. The Company will have collected, by July 10, 1998, the full quarterly payment of $67.50 from all customers now receiving water. These payments should provide sufficient cash for the Company to make the refund directed by the Interim Order.

Accordingly, IT IS ORDERED THAT:

(1) Ordering Paragraphs (5) and (6) of the Interim Order made February 27, 1998, are modified, as discussed herein.

(2) On or before July 15, 1998, the Company shall make a refund in the amount of $35.33 to each customer paying an availability charge for 1998.

(3) On or before August 17, 1998, the Company shall file with the Clerk of the Commission, c/o Document Control Center, State Corporation Commission, P.O. Box 2118, Richmond, Virginia 23218-2118, a document setting out the name and address of each customer paid a refund as ordered in (2) above; the check number of the refund check made to each customer; and the date of the refund check was sent to each customer.

(4) This proceeding be continued.

CASE NO. PUE970119
SEPTEMBER 11, 1998

APPLICATION OF
ROBERT A. WINNEY D/B/A THE WATERWORKS COMPANY OF FRANKLIN COUNTY

For a certificate of public convenience and necessity authorizing the furnishing of water

ORDER GRANTING APPLICATION AND ISSUING CERTIFICATE

Before the Commission is the application of Robert A. Winney d/b/a The Waterworks Company of Franklin County ("Company") for a certificate of public convenience and necessity authorizing the Company to furnish water in the Lakemount, Mallard Point, Overlook, and Starwood subdivisions in Franklin County. In our Interim Order of February 27, 1998, the Commission reviewed the application and history of this proceeding. As discussed in the Interim Order, we deferred granting the application and issuing a certificate until the Company filed maps and a tariff and established a system of accounts. The Commission also prescribed rates and charges effective February 27, 1998, and directed the Company to make refunds.

On August 21, 1998, the Commission Staff moved that the Commission grant the application and issue a certificate of public convenience and necessity, notwithstanding the apparent noncompliance with the Interim Order. In support of the Motion, the Staff maintained that issuance of the certificate was in the public interest. By order of August 24, 1998, the Commission authorized the Company to reply to the Staff motion by September 8, 1998. The Company did not file a response.[1]

Upon consideration of the Staff Motion and the record in this proceeding, including the record developed at the public hearing held November 10, 1997; the Report of Michael D. Thomas, Hearing Examiner, filed January 20, 1998; and subsequent correspondence from the Company, the Commission will grant the application and issue a certificate of public convenience and necessity. We direct the Commission's Division of Energy Regulation to prepare and file appropriate maps showing the service territory boundaries and an appropriate tariff reflecting the findings and rates and charges prescribed in our Interim Order.

In its motion of August 21, 1998, the Staff also addressed a refund to customers paying an availability charge in 1998. The Company's compliance with those Provisions of the Interim Order will be considered in a separate proceeding which we initiate today. Accordingly,

IT IS ORDERED THAT:

(1) The application of Robert A. Winney d/b/a The Waterworks Company of Franklin County for a certificate of public convenience and necessity, granted in part and continued in part by the Interim Order of February 27, 1998, IS GRANTED.

(2) The Commission's Division of Energy Regulation shall forthwith prepare and file a schedule of rates, charges, rules, and regulations conforming to the Interim Order of February 27, 1998, bearing an effective date of February 27, 1998, and reflecting the findings of the Interim Order and the record in this proceeding; the Division of Energy Regulation shall mail a copy of the schedule to the Company.

(3) The Commission's Division of Energy Regulation shall forthwith prepare appropriate maps showing the territory in Franklin County which the Company will serve.

(4) Certificate of public convenience and necessity Number W-291 BE ISSUED TO Robert A. Winney d/b/a The Waterworks of Franklin County authorizing it to furnish water service in those portions of Franklin County shown on the map attached to, and made a part of, the certificate.

(5) This matter BE DISMISSED and the case closed.

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[1] On September 2, 1998, the Clerk of the Commission and the Office of General Counsel received a letter dated August 31, 1998, which referred to the Company and this case. The letter was not signed and it did not include a full name or a return address. The letter made no objection to granting the application and issuing the certificate. While the Commission liberally applies its Rules of Practice and Procedure, especially in situations involving small water companies, it will not consider anonymous correspondence.

CASE NO. PUE970328
AUGUST 6, 1998

APPLICATION OF
WASHINGTON GAS LIGHT COMPANY, VIRGINIA DIVISION

For an Annual Informational Filing

FINAL ORDER

On March 31, 1997, Washington Gas Light Company, Virginia Division ("WGL" or "the Company") filed its Annual Informational Filing ("AIF") with the State Corporation Commission ("Commission"), together with financial and operating data for the twelve months ending December 31, 1996.

On August 1, 1997, the Commission Staff filed its report in this case. The report noted that after employing an earnings test based on actual test year jurisdictional earnings, average rate base, an average capital structure, and after making limited adjustments, WGL earned in excess of its authorized return on equity range of 11.0% - 12.0%. In order to mitigate WGL's overearnings position, Staff recommended that the Company be required to write off

the Virginia jurisdictional portion of unamortized losses on reacquired debt, which Staff considered to be regulatory assets subject to an earnings test. The Staff also proposed that WGL be required to file an earnings test if it sought to establish any new regulatory asset on its books. Further, the Staff recommended that WGL file an earnings test with its next AIF or rate application if the Company had any regulatory assets on its books at that time. Additionally, Staff proposed that WGL be required to track various components of off-system sales, effective January 1, 1997, including system capacity and any demand utilized to facilitate off-system sales. Finally, the Staff recommended that the Commission direct the Company to revise the actual cost adjustment ("ACA") language in its tariff as part of WGL's next rate application to allow proper crediting of off-system revenues and expenses.

On August 29, 1997, the Company, by counsel, filed a motion wherein it stated that it disagreed with Staff's application of the earnings test and Staff's recommendation that WGL write off regulatory assets related to unamortized losses on reacquired debt. WGL requested a hearing on these issues.

By Order dated September 8, 1997, the Commission assigned a Hearing Examiner to the matter, established a procedural schedule, and set the matter for hearing on October 16, 1997.

The matter was timely heard, and WGL and the Staff filed simultaneous briefs on December 12, 1997, in the proceeding.

The Chief Hearing Examiner issued her report on June 25, 1998. Based upon the evidence received, the Hearing Examiner found that (i) losses on reacquired debt should be subject to an earnings test; (ii) application of an earnings test in this case does not constitute retroactive ratemaking or confiscation of shareholders' earnings; (iii) Staff's application of the earnings test is not prohibited by the Commission's Rules Governing Utility Rate Increase Applications and Annual Informational Filings or the Company's prior case, Case No. PUE940031; (iv) only adjustments necessary to restate actual data to a regulatory basis should be made in an earnings test; (v) previously approved regulatory assets should be considered recovered only through excess earnings above the top of the range unless otherwise provided for at the inception of a regulatory asset; and (vi) the Virginia jurisdictional level of unamortized losses on two debt issues reacquired during the test year should be written off in their entirety. The Chief Hearing Examiner recommended that the Commission enter an order that adopts the findings in her report, directs the Company to write off losses on reacquired debt incurred in the test period; and dismisses the case from the Commission's docket of active proceedings.

Comments on the Chief Hearing Examiner's Report were filed by WGL and the Staff.

Having considered the record, the Hearing Examiner's Report, and the Comments thereto, the Commission is of the opinion and finds that losses on reacquired debt refunded with long-term debt, although booked as a regulatory asset, should not be subject to the earnings test for the reasons set forth below. We also find that losses on reacquired debt without refunding may be different in character than losses on reacquired debt with refunding and that the question of whether such losses should be subject to the earnings test should be examined in future cases.

We further find that WGL should comply with the other recommendations set out in the August 1, 1997 Staff Report that the Company did not challenge. In this regard the Company should track the various components of off-system sales, effective January 1, 1997, including system capacity and demand utilized to facilitate off-system sales; should revise its ACA tariff language to permit the proper crediting of any off-system revenues and expenses; and should file an earnings test with the establishment of any regulatory asset other than losses on reacquired debt with refunding.[1]

A regulatory asset is a deferral of a current period cost amortized over future periods. Such costs are generally large and nonrecurring and cause financial results to be negatively affected when currently expensed. This deferred treatment of current charges is unique to regulated entities. Unregulated entities under Generally Accepted Accounting Principles would expense the charges in the period incurred. By permitting a regulated public utility to defer these charges, the utility is afforded an opportunity to recover them over future periods. A utility's shareholders benefit from the original deferral of charges associated with regulatory assets because the deferral increases earnings above what they would have been had there been no deferral.

An earnings test has been used to determine whether regulatory assets have been recovered more quickly than anticipated or whether they should continue to be deferred and amortized. The earnings test has been employed in other cases to evaluate the test period recovery of a number of regulatory assets, including other post employment benefits ("OPEB") implementation costs, electric capacity contract charges, and extraordinary storm damage costs. In the Final Order entered today in Application of Roanoke Gas Company, For an Annual Informational Filing, Case No. PUE960102 and Application of Roanoke Gas Company, For expedited rate relief, Case No. PUE960304, we applied an earnings test to evaluate recovery of rate case expenses, costs of a depreciation study, franchise costs, Liquefied Natural Gas ("LNG") tank painting costs, union contract negotiation costs, and demolition costs related to a retired manufacturing gas plant. None of these cases involves whether losses on reacquired debt should be subject to an earnings test.

In this case, the Staff seeks to apply the earnings test to losses on reacquired debt. A loss on reacquired debt is an accounting classification for several types of expenses associated with the retirement, or reacquisition, of debt securities prior to their maturity. When debt is reacquired early, the original accounting for any remaining unamortized expenses on the reacquired debt is changed to reflect the fact that the debt is no longer outstanding. Early retirement of debt may also result in a prepayment penalty, i.e., a call premium. Upon early retirement of a debt issue, a call premium plus any remaining unamortized expenses are classified together as a loss on reacquired debt.[2]

The threshold issue presented by this case is whether losses on reacquired debt should be subject to the earnings test. We conclude that they should not if the debt is refunded with long-term debt. These regulatory assets differ in significant respects from those which we have required utilities to write off in other proceedings. WGL's losses on reacquired debt with refunding have been amortized over the life of the refunding debt for a finite identifiable period. These losses on reacquired debt are explicitly tied to a refinancing where the loss is intentionally incurred in order to produce savings in the form of lower interest costs over an identifiable period of time.

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[1] The Company should also file an earnings test with its next AIF and rate application if the Company has any regulatory assets other than losses on reacquired debt refunded with long-term debt on its books at that time. The Company should refer to the Final Order in Application of Roanoke Gas Company, For an Annual Informational Filing, Case No. PUE960102, and Application of Roanoke Gas Company, For expedited rate relief, Case No. PUE960304, entered today, for guidance on the preparation of an earnings test.

[2] Staff, in its discussion, combined debt discounts and premiums with expenses related to underwriting activities, legal counsel, printing, and obtaining a rating, among other things. In Virginia, these types of expenses are amortized over the remaining life of the reacquired debt issue or, in the case of a refunding, the life of the new debt issue.

In Virginia, we amortize losses on reacquired debt over the life of the refunding debt and consider them to be a cost of issuing the new debt, much like any other type of debt issuance expense. This treatment is appropriate, and losses on reacquired debt, like other expenses of the refunding debt, should not be subject to the earnings test.

While we have determined that losses on reacquired debt with refunding should not be subject to an earnings test, we find that losses on reacquired debt without refunding with long-term debt may be subject to the test. As explained below, however, we will not require the write-off of WGL's losses on reacquired debt without refunding in this case.

As a result of the reacquisition of a series of bonds without refunding, the Company incurred a net gain. For ratemaking purposes, the Commission has historically amortized gains, net of losses, over the life of the retired series. The netting of the gain with the loss ensures that those paying the loss also receive the associated gains. In this case, given this prior treatment, we will not subject WGL's existing losses on reacquired debt without refunding to the earnings test. However, we direct that losses on reacquired debt without refunding be examined on a case-by-case basis to determine if they are in fact different from other regulatory assets or whether both gains and losses should be written off in the year they are incurred.

Accordingly, IT IS ORDERED THAT:

(1) WGL's losses on reacquired debt shall not be subject to an earnings test in this case and therefore need not be written off.

(2) WGL shall file an earnings test with the Commission if it seeks to establish any new regulatory assets with the exception of losses on reacquired debt refunded with long-term debt.

(3) WGL shall file an earnings test as provided herein with its next AIF or rate application if the Company has on its books at that time any regulatory assets other than losses on reacquired debt refunded with long-term debt.

(4) WGL shall be required to track the various components of off-system sales, effective January 1, 1997, including system capacity and any demand utilized to facilitate off-system sales.

(5) WGL shall revise the language in its tariffs addressing its ACA as part of its next rate application to allow proper crediting of off-system revenues and expenses.

(6) There being nothing further to be done herein, this matter shall be dismissed from the Commission's docket of active proceedings, and the papers filed herein made a part of the Commission's files for ended causes.

CASE NO. PUE970330
FEBRUARY 25, 1998

COMMONWEALTH OF VIRGINIA, ex rel.
BERNARD C. DUSE, JR.,
Complainant
v.
WASHINGTON GAS LIGHT COMPANY,
Defendant

FINAL ORDER

On March 24, 1997, Bernard C. Duse, Jr. ("Complainant" or "Mr. Duse") filed a formal complaint under §§ 56-235.2, -236, and -247 of the Code of Virginia against Washington Gas Light Company ("WGL" or "the Company"). His complaint alleged that the Company failed to test for leaking gas at his request, did not conduct a good faith investigation of certain missing gas, and continues to insist that he pay for natural gas he asserts he did not use.

In its May 30, 1997 Order, the Commission assigned the matter to a hearing examiner, scheduled a public hearing, and established a procedural schedule for the case.

The matter was heard on September 16, 1997. On January 29, 1998, the Chief Hearing Examiner issued her Report. In her Report, the Hearing Examiner summarized the evidence and found that:

> (1) The Company complied with the tariff in effect for the period during which gas usage is disputed in this matter;
>
> (2) Pursuant to its revised tariff, the Company should endeavor to read all meters monthly, and further should be directed to read the meter at 11201 Bright Pond Lane, Reston, Virginia, each month as long as it is owned by Mr. Duse;
>
> (3) The Company has conducted a good faith investigation with regard to the missing gas and the unusually high bill;
>
> (4) The disputed bill is the result of extended use of underestimations; and
>
> (5) This complaint should be dismissed.

The Chief Hearing Examiner recommended that the Commission enter an order adopting the findings in her report and dismissing the complaint from the Commission's docket of active proceedings.

On February 11, 1998, the Complainant filed comments to the Hearing Examiner's Report. In his comments, the Complainant urged the Commission not to accept the findings of the Hearing Examiner and requested that the Commission find that "WGL has not complied with its tariffs, in particular, Code of Virginia Section 56-245.1 has been grievously violated. That violation absolves the Complainant of any responsibility for the contested CCf of gas."[1] Among other things, Mr. Duse maintained that WGL, with the assistance of certain Division of Energy Regulation personnel, did not conduct a good faith investigation as to the missing gas and the Complainant's high bill. He commented that the disputed bill is the result of gas leakage caused by the activities of WGL's employees or agents. Mr. Duse requested that WGL should be: (i) directed to credit the Complainant for the value of 838 Ccf of gas; (ii) enjoined to obey the Virginia Code; and (iii) enjoined to cease all further threats and payment demands associated with the matter.

On February 12, 1998, WGL filed its comments. In its comments, the Company supported the Hearing Examiner's recommendations and stated that it was making an effort to read the Complainant's meter at 11201 Bright Pond Lane every month. It noted that there could be circumstances beyond its control which may prevent it from obtaining an actual meter reading in a particular month. The Company stated that it would maintain a record of its attempts to read the meter and note any circumstances which prevented the Company from making such a reading.

NOW, UPON consideration of Mr. Duse's complaint, the record herein, the Hearing Examiner's Report, and the comments thereto, the Commission is of the opinion and finds that the recommendations of the Hearing Examiner are supported by the record and should be adopted. The purpose of our inquiry cannot be to make a finding as to the Complainant's liability to pay any bill rendered by WGL, but to determine whether WGL has complied with its tariffs and conducted a good faith investigation with regard to the missing natural gas and the issue of an alleged leak.[2]

The record in this matter demonstrates that a meter was installed at Mr. Duse's home at 11201 Bright Pond Lane, Reston, Virginia, on February 10, 1995. See Ex. PMK-6 at 4-5. Mr. Duse assumed responsibility for gas service at this address on April 12, 1995. Ex. PMK-6 at 5. He affirmatively requested that this meter be repaired by letter dated September 6, 1996,[3] and asked that his meter be tested by a third party with Staff personnel in attendance on September 23, 1996.[4]

The Company tested the Complainant's meter on October 2, 1996, and Staff engineer Hotinger observed the test. Ex. JMH-4.[5] Staff witness Lamm advised Mr. Duse by letter dated October 11 that the meter tested within acceptable limits and did not require repair. Mr. Lamm's letter to Mr. Duse included a copy of the meter test results. Attachment III to Ex. TEL-2.

While this matter was under investigation, WGL threatened to but did not disconnect Mr. Duse's service for nonpayment. Moreover, Mr. Duse has not been required to pay for the natural gas he alleges he did not use while this matter has been pending before the Commission. Under these circumstances, we are unable to conclude that § 56-245.1 (2) of the Code of Virginia was violated. The meter at 11201 Bright Pond Lane was not found to be defective or in need of repair, and notification of that determination was mailed to Mr. Duse on October 11, 1996. In this case, the "affected customer" was not required to pay for the service in question furnished through the meter, and as of the date of this order, Mr. Duse's service has not been terminated for failure to pay under these circumstances.

Further, we are unable to conclude that the level of gas usage at issue in this matter is the result of WGL's employees' or agents' activities. The testimony offered by Staff and WGL witnesses indicated that gas leaks may be detected through the gas odorant added to the natural gas. No gas odor was detected until the meter was disconnected from Mr. Duse's residence. Such odor normally occurs upon disconnection of a natural gas meter. Ex. JMH-4 at 2. Tr. at 54.

Photographs taken of the meter when it was removed from 11201 Bright Pond Lane (Ex. JMH-5), and the appearance of the meter as described at the hearing indicate that it was scratched, but not damaged so that it could no longer function properly. Tr. at 61-62, 70-71. From the evidence presented, we cannot conclude that WGL personnel or agents scratched the meter or caused any gas leakage at 11201 Bright Pond Lane.

Accordingly, IT IS ORDERED THAT:

(1) The findings and recommendations of the January 29, 1998 Hearing Examiner's Report are adopted.

(2) WGL shall endeavor to read all of the meters of its customers monthly, and shall read the meter at 11201 Bright Pond Lane, Reston, Virginia, each month as long as it is owned by Mr. Duse.

(3) This complaint shall be dismissed, and this case removed from the Commission's docket of active proceedings.

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[1] February 11, 1998 Comments on Report of Deborah V. Ellenberg, Chief Hearing Examiner, Doc. Cont. Center No. 980210215 at 9.

[2] See Commonwealth of Virginia, ex rel. Rachel Crowe v. The Po River Water and Sewer Company and Indian Acres Club of Thornburg, Case No. PUE940014, 1995 S.C.C. Ann. Rept. 298, 299.

[3] See September 6, 1996 letter to Ex. BCD-1.

[4] See Ex. TEL-2, Attachment VIII.

[5] Meters tested in accordance with National Bureau Standards need not be tested by a third party to produce valid results. Tr. at 56. WGL conducted its test in accordance with these standards. Ex. JMH-4 at 2-3. Tr. at 55-56.

CASE NO. PUE970426
OCTOBER 14, 1998

APPLICATION OF
FOX RUN WATER COMPANY, INC.

For an amendment to Certificate of Public Convenience and Necessity No. W-281 to Include Water Service at Waterman's Point Subdivision, Tanglewood Shores Golf & Country Club, and Rolling Acres Subdivision

ORDER OF DISMISSAL

On April 18, 1997, Fox Run Water Company, Inc. ("Fox Run" or "Company") filed its application for an amendment of its existing certificate of public convenience and necessity to include customers in the captioned subdivisions. The Company has been operating the systems for some time without benefit of certificate and is in the process of acquiring the systems.

Since this application was filed, Fox Run has been given the opportunity to acquire several additional systems near its operating territory. The acquisition of the captioned and new facilities requires approvals in addition to those requested in its filed application. Accordingly, on August 27, 1998, Fox Run filed a letter requesting withdrawal of its application, stating that it intends to submit another application to the Commission to include these additional systems and to request the appropriate approvals for each.

Having considered this request, the Commission is of the opinion and finds that the Company's request should be granted, and Fox Run should be required to submit a new application containing the necessary approvals for the captioned and new subdivisions the Company intends to acquire.

IT IS THEREFORE ORDERED THAT:

(1) Fox Run Water Company's request for withdrawal of its application for an amendment to its certificate is granted, and the Company is required to submit a new application to the Commission no later than January 1, 1999, containing the necessary approvals for the captioned and new subdivisions the Company intends to acquire.

(2) There being nothing further to be done herein, this matter shall be dismissed, and the papers filed herein made a part of the Commission's file for ended causes.

CASE NO. PUE970523
DECEMBER 22, 1998

APPLICATION OF
VIRGINIA-AMERICAN WATER COMPANY

For a general increase in rates

ORDER ON HEARING EXAMINER'S REPORT

On June 6, 1997, Virginia-American Water Company ("Virginia-American" or "the Company") filed an application requesting a general increase in rates. In its application, the Company requested an increase of $1,838,979, or a 7.30% increase, in total annual operating revenues, based on a test year ending December 31, 1996. The Company later reduced its requested increase in revenue requirement to $938,009.

By Order dated June 27, 1997, the Commission accepted the proposed tariff revisions on an interim basis, subject to refund with interest, effective for service rendered on and after November 3, 1997. That order also set the matter for hearing; established a procedural schedule for the filing of pleadings, testimony and exhibits; and appointed a hearing examiner to conduct all further proceedings.

The hearing was convened on January 21, 1998, before Hearing Examiner Howard D. Anderson, Jr. Counsel appearing were: Richard D. Gary for the Company; Edward L. Flippen for the City of Hopewell ("Hopewell"); John F. Dudley for the Hopewell Committee for Fair Water Rates ("Committee"); and William H. Chambliss and Marta B. Curtis for the Commission's Staff.

Prior to the hearing, an agreement was reached on certain accounting adjustments and cost of equity issues. At the hearing, certain other accounting issues and issues relating to the Company's cost of service and rate design in the Hopewell operating district remained in controversy. Specifically, the Company disagreed with Staff's proposed parent debt adjustment ("PDA"), consolidated tax savings adjustment, and allocation of a portion of the Dinwiddie Avenue storage tank to a non-jurisdictional customer, Fort Lee. The Company also disagreed with Staff's allocation of a portion of the Company's domestic transmission and distribution mains to the Prince George County Service Authority.

Hopewell generally supported Staff's accounting adjustments with the exception of adjustments regarding waste disposal and affiliate expenses, but took no position on Staff's consolidated tax savings adjustment. The Company disagreed with Hopewell's proposed wastewater adjustment and its adjustment eliminating affiliate expenses in the Hopewell operating district.

The Committee disagreed with the Company's jurisdictional cost of service study for the Hopewell operating district and with Staff's and Hopewell's allocation of expenses and rate base associated with the new filters and the clearwell. The Committee contended that the Company's cost of service study underestimates its non-jurisdictional load (specifically, the maximum day demand for Fort Lee) and that industrial customers should not be allocated a significant portion of costs associated with the new filters and the clearwell.

On August 27, 1998, the Hearing Examiner filed his Report. Based on the evidence in the proceeding, the Examiner found that:

(1) The twelve months ending December 31, 1996, was an appropriate test period for this case;

(2) The Company's test year operating revenues, after all adjustments, were $25,236,174;

(3) The Company's test year operating revenue deductions, after all adjustments, were $20,208,911;

(4) The Company's test year net operating income and adjusted net operating income, after all adjustments, were $5,027,263 and $5,019,936, respectively;

(5) The Staff's proposed accounting recommendations and adjustments, except as modified by the Examiner, were just and reasonable and should be adopted;

(6) The Company should provide journal entries documenting its compliance with Staff's booking recommendations within sixty days of the issuance of a final order in this case;

(7) The points of agreement on accounting issues reached between Staff and the Company were reasonable and should be adopted;

(8) The Company's current rates produced a return on adjusted end of test period rate base of 8.52%, and a return on equity of 8.85%;

(9) The Company's current cost of equity is between 10.25% and 11.25%, and the midpoint of the range, 10.75%, should be used to calculate the Company's overall cost of capital and revenue deficiency;

(10) The Company's overall cost of capital, based on the December 31, 1996 capital structure of Virginia-American and a 10.750% cost of equity, was 9.353%;

(11) The Company's end of test period rate base, after all adjustments, was $58,900,613;

(12) The Company required additional gross annual revenues of $776,251 to earn a reasonable rate of return on rate base;

(13) The $776,251 rate increase should be allocated as follows: Alexandria - $171,912; Hopewell - $329,596; Prince William - $274,743;

(14) The Company's rate design and terms and conditions of service should be modified in accordance with the recommendations contained in the Report;

(15) The Company should file permanent rates designed to produce the additional revenues found reasonable using the revenue apportionment methodology recommended in this Report;

(16) The Company, in the future, should be required to present all pro forma adjustments on a total District basis and then allocate the adjusted amounts to jurisdictional and non-jurisdictional business;

(17) The Company should be required to refund promptly, with interest, all revenues collected under its interim rates, effective November 3, 1997, in excess of the amount found just and reasonable; and

(18) Interest upon the refunds should be computed from the date payment of each monthly bill was due during the period the interim rates were in effect and subject to refund until the date the refunds are made, at an average prime rate for each calendar quarter. The applicable average prime rate shall be the arithmetic mean, to the nearest one-hundredth of one percent, of the prime rate values published in the Federal Reserve Bulletin, or in the Federal Reserve's "Selected Interest Rates" (Statistical Release G.13), for the three months of the preceding calendar quarter.

Virginia-American filed exceptions to the Hearing Examiner's Report. The Company takes exception to the Examiner's recommendation that the parent debt adjustment be continued in this case. Virginia-American requests that, in the event the Commission does continue this adjustment, the Company be allowed to make a parallel adjustment to incorporate certain costs incurred by the parent company, American Water Works ("AWW"), in raising debt.

The Company also objects to the Examiner's recommendation that the customary interest rate on refunds be applied in this case. The Company seeks to apply its average short-term borrowing rate (approximately 6.0% during the period November, 1997, when the interim rates became effective, until March, 1998) in calculating interest on refunds rather than the prime interest rate for each calendar quarter traditionally required by the Commission, which has averaged 8.5% during the same period. The Company states that because the additional revenues produced by the interim rates effectively replace only short-term borrowings, the short term borrowing rate is appropriate to use to calculate refunds.

Staff filed comments on and exceptions to the Examiner's Report. Staff takes exception to the Examiner's recommendation that Staff's proposed consolidated tax adjustment ("CTA") be rejected. Contrary to the Examiner's finding, Staff maintains that adopting the CTA would not constitute retroactive ratemaking because the adjustment would not result in the refund of any rates effective for past periods; rather, it would merely compute a current return on an item that cumulates over time. Staff states that AWW, by filing consolidated federal tax returns rather than individual returns for each subsidiary, has enjoyed cash tax benefits that would not have been available to it but for Virginia-America's positive tax liabilities. Staff states that Virginia-American ratepayers have provided an uncompensated cash subsidy to AWW and, therefore, it is logical and equitable that the ratepayers should be allocated a return on the parent company's tax savings in an amount proportional to Virginia-American's responsibility for the savings.

Staff agreed with the Examiner that it was proper to include an adjustment for parent company debt. Staff also agreed with the Examiner that the parent company expenses should not be included in that adjustment, but for a different reason than that expressed by the Examiner.

Hopewell objects to the Examiner's finding that the Company's affiliate expenses should be approved. Hopewell contends that, based on the facts of this case, the Examiner misapplied the law. More specifically, Hopewell states that, under Commonwealth Gas Services, Inc. v. Reynolds Metal Co., 236 Va. 362 (1988) ("Reynolds"), the Company has the burden of showing that any affiliate expense that is included in rates is reasonable, but Virginia-American offered no evidence as to the reasonableness of the affiliate charges in this case. Hopewell also argues that the Examiner's reliance on the Commission's decision finding affiliate expenses reasonable in its last rate case is unavailing. Hopewell points out that the affiliate charges at issue in this case are different than the charges litigated in the Company's last rate case and § 56-235.3 of the Code of Virginia requires that each case must be decided based on the facts presented in that case.

The Committee filed comments in which it took exception to certain of the Examiner's findings concerning allocation issues. The Committee contends that the allocation of 85% of the new filters and clearwell to the industrial class is unreasonable and maintains that only one-third of the clearwell should be allocated to the industrial customers. In support of their proposal, the Committee states the industrial customers receive service through a separate filtration system and only domestic customers are served by the new filters; the industrial customers are allocated 100% of the costs of the wood tubs and the separate clearwell; and the only benefit to the industrial class from the clearwell is increased reliability. The Committee also objects to the Examiner's recommended allocation between jurisdictional and non-jurisdictional customers of the Dinwiddie Avenue Tank. The Committee argues that the Staff and the Examiner simply accepted the Company's estimate of Fort Lee's maximum day demand as reasonable, but that number is, in fact, understated. The Committee requests that the Commission order Virginia-American to install a meter for Fort Lee as soon as possible to measure and record actual maximum daily demand.

In addition, the Committee supports the adoption of the parent debt adjustment, but requests that the Commission require the use of an allocator based on stockholders' equity compared to the total equity of the parent.

NOW THE COMMISSION, having considered the record, the Examiner's Report and the comments and exceptions thereto, is of the opinion and finds that the Examiner's findings and recommendations should be adopted, except as modified herein.

As stated, the Examiner approved Staff's proposed parent debt adjustment on the basis that he found no reason to depart from the Commission's decision on this issue in Virginia-American's last rate case. In addition, he rejected the Company's proposal to include in the PDA certain expenses incurred by AWW in raising the debt because the Company did not quantify such costs. We agree with the Examiner that the PDA should continue to be applied. As stated by the Examiner, we have approved the same adjustment for this company in the past, and the Company raises no new arguments in its comments on the Hearing Examiner's Report that persuade us otherwise.

We will also deny the Company's request that it be allowed to include in the PDA the costs incurred by AWW in raising and maintaining the debt. The Company argues that the PDA allocates all of the tax benefits associated with the AWW interest deduction related to the Company, "while simultaneously allocating none of the related costs." The Company then seeks to allocate a share of AWW's costs required to issue and maintain current outstanding bonds. These activities may include, among other items, providing reports and financial material to current and prospective bondholders.[1] The Company's proposal cannot be accepted; AWW, as the shareholder of the Company, is already being compensated for those and other costs of AWW's investment in the Company by the equity return allowed the Company.

At the heart of the PDA is the acknowledgment that the equity investment of AWW in the Company is financed by a combination of equity and debt issued by AWW. The equity return authorized for the Company (10.75% in this case) covers not only the part of AWW's investment in the Company financed by equity, but also that part of AWW's investment that is financed by debt. This is an advantage to AWW because the part of its equity investment in the Company financed by debt may cost substantially less than the allowed equity return. What the PDA does is give the Company's ratepayers the benefit of the tax deduction for the interest paid on that part of AWW's investment in the Company financed by debt. The expenses of AWW required to issue and maintain current bonds and stock, including interest and dividends, are AWW expenses and are covered by the 10.75% allowed return.

Turning to Staff's proposed consolidated tax adjustment, we decline to adopt Staff's proposed CTA in view of the circumstances of this case. In particular, we have concerns stemming from the parent company's history of relying on the cash flow that has been available to it by virtue of filing a consolidated federal tax return.[2] While we will not adopt this adjustment at this time for this company, we do not rule out the possibility of adopting it in the future in appropriate circumstances.

As stated, Hopewell strongly objects to the Examiner's finding that the affiliate expenses in this case should be approved. Hopewell alleges that the transactions underlying the affiliate charges at issue in this case are different than the transactions at issue in the Company's last rate case and contends that the Examiner erred in relying upon the Commission's approval of Virginia-American's affiliate expenses in its last case. Hopewell argues that Virginia-American has not carried its burden of proof that the affiliate expenses in this case are reasonable.

We agree with Hopewell that the Company has not met the standard set forth by the Virginia Supreme Court in Reynolds. In that case, the Court found that the company's reliance on a service agreement previously approved by the Commission and the Commission's approval of a company's affiliate expenses in a prior rate case were not sufficient to prove the reasonableness of the affiliate costs at issue. Pointing out that the utility had "presented no evidence of comparative prices or affiliates profits," the Court stated that the utility has an affirmative burden to show that affiliate costs are reasonable and merely itemizing the expenses or describing how the company reviews and pays the bills does not meet that burden.[3] Upon reviewing the record, we agree with Hopewell that Virginia-American has done nothing more than itemize the affiliate costs which, clearly, under Reynolds, is not enough. Further, the mere fact that "no profit" is included in the charges does not make the charges reasonable. Therefore, we will remand this issue, and this issue only, to the Examiner to give the Company an additional opportunity to present evidence as to the reasonableness of the affiliate expenses for which it seeks recovery in this case.

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[1] Exceptions of Virginia-American Water Company to Hearing Examiner's Report at 6-7.

[2] Our decision is not based on the Examiner's suggestion that Staff's proposed CTA may constitute retroactive ratemaking and we specifically decline to rule on that issue.

[3] Reynolds, 236 Va. at 367.

In remanding the affiliate expense aspect of this case, we make two additional points. First, we do not intend to remand future cases for this or any other company. Each utility should know the burden of proof it must meet with respect to affiliate expenses, including a showing that such expenses are reasonable. In the future, those companies that fail to meet that burden in full may expect to have the expenses disallowed rather than having an additional opportunity as we are providing here. Second, while outside consultants or witnesses may be necessary from time to time with respect to affiliate expenses, we are not stating that such consultants or experts are necessary in every or even any case. The company simply must meet its burden of proof.

With respect to the allocation issues raised by the Committee, we will adopt the Examiner's findings and recommendations, with one minor modification. We agree with Staff that there is no compelling reason to undo the allocation of the carbon contactors, new filters and the new clearwell that the Commission had found to be reasonable in Virginia-American's last rate case (in PUE950003).[4] We will, however, allocate 15% of the industrial clearwell to the domestic class since, currently, the industrial class is allocated 85% of the new filters, new clearwell and the carbon contactors, while domestic customers are not allocated any portion of the costs of the industrial clearwell. This will result in a symmetrical sharing between the two classes in this regard.

We also will not adopt the Committee's request that the Company be ordered to install a time-of-use meter for Fort Lee that will measure and record actual maximum daily demand. We agree with Staff that the cost of a time-of-use meter is not warranted because gathering maximum day demand data for only Fort Lee would not be helpful without gathering the same data for all other customer classes.

Finally, Virginia-American takes exception to the Examiner's finding regarding the interest rate to be applied in calculating refunds. As discussed above, the Company contends that it should be allowed to use its average short-term borrowing rate, rather than the average prime rate for each calendar quarter that the Commission customarily requires. In support of its request, the Company states in its Exceptions:

> Since these additional revenues effectively replaced short term borrowings, this short term rate is more appropriate to use for refunds than the prime rate.[5]

This statement misses the point. First, the Company should never consider excess charges as a replacement for short term borrowings. Second, our primary concern is not the Company's cost, but rather the ratepayers' cost. It is the ratepayer that has been required to make payments determined to be in excess of those that are just and reasonable. The prime rate is certainly fair; few customers could borrow at that rate and the lost opportunity cost might well be above prime. We must deny the Company's request. Accordingly,

IT IS ORDERED that:

(1) The Examiner's findings and recommendations are adopted, except as modified in the body of the Order and with the exception of the issue of affiliate expenses.

(2) The matter of the reasonableness of Virginia-American's affiliate expenses sought to be recovered in this case is hereby remanded to the Hearing Examiner for further consideration, as discussed herein.

(3) This matter will be continued generally pending the results of the remand ordered herein.

MOORE, Commissioner, concurs in part and dissents in part:

I concur with my colleagues, except with respect to the consolidated tax adjustment ("CTA"). Virginia-American's rates reflect a higher tax than the parent company will actually have to pay on a consolidated basis because of losses in the parent's operations. Therefore, the reality is that the parent has and will continue to enjoy the use of, in essence, cost-free capital. I believe that it is only fair that Virginia ratepayers be compensated for the use of this capital by providing them a return on that capital.

I agree with my colleagues that the Company has relied on the availability of the cost-free capital in the past and I would not adopt the CTA as proposed by Staff. I would, however, adopt the adjustment on a prospective basis. Adopting the CTA on a prospective basis would allow the Company to continue to use, cost free, the capital provided in the past and require the Company to compensate ratepayers for their contribution to AWW's cash tax benefits, prospectively.

Ratemaking is at its best when utilities can most accurately track the costs associated with providing service. Adopting the CTA would more accurately reflect the Company's actual cost of providing service.

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[4] Application of Virginia-American Water Co., 1997 S.C.C. Ann. Rept. 333.

[5] Exceptions of Virginia-American Water Company to Hearing Examiner's Report at 8.

CASE NO. PUE970524
AUGUST 20, 1998

APPLICATION OF
FRANKLIN WATER COMPANY, INC.

For a certificate of public convenience and necessity

FINAL ORDER

On June 9, 1997, Franklin Water Company, Inc. (or "the Company") filed an application, pursuant to § 56-265.3 of the Code of Virginia, to obtain a certificate of public convenience and necessity. In its application, the Company requested authority to continue to provide water service to the Walnut Run subdivision located in Franklin County.

The Company proposes an unmetered monthly rate of $26.50, billed quarterly in advance. It also proposes an annual availability fee of $80.00 for customers who have water service adjacent to or in front of their lots but are not presently connected to the system.

The Company also proposes the following miscellaneous charges: a customer deposit equal to a customer's bill for two months' usage; a $1,000.00 service connection fee; a $25.00 bad check charge; and a $25.00 late payment fee.

On October 1, 1997, the Commission issued an order directing the Company to give notice of its application and to provide the public with an opportunity to comment and request a hearing. In that order, the Commission also directed its Staff to review the application and to file a report detailing its findings on or before February 26, 1998. On February 25, 1998, the Commission granted a Staff request for an extension of time in which to file its report so that Staff could update its audit of the Company from a 1996 test year to a test year based on the 1997 calendar year.

On March 26, 1998, Staff filed its report. Staff recommended that the Commission grant the Company a certificate and approve the rates, charges, and rules and regulations of service proposed for the Walnut Run subdivision, subject to certain recommended changes. Staff noted that no comments or requests for hearing were filed.

Staff's first recommendation concerned the Company's water availability fee. The Company currently bills 73 customers for water availability service. There are, however, an additional 19 lots within the Walnut Run subdivision that are accessible, though not connected, to the system and are not charged an availability fee. These 19 lots are owned by developers of the subdivision. Staff recommends that consistent with Commission precedent, these lots be included in the Company's total number of availability customers.

The Staff calculated that incorporating the additional 19 water availability customers, the Company's proposed rates for service will produce annual operating revenues of $14,674 and annual operating income of $384. It is Staff's position that the Company's proposed rates are reasonable.

In its report, Staff noted that the Company failed to provide any information to support its proposed fees for the following miscellaneous charges: service connection fee ($1,000.00); bad check charge ($25.00); and turn-on charge ($75.00). Staff therefore recommended that the Company provide detailed cost information to support these charges before it is authorized to include them in its rates, rules, and regulations. The record establishes that no information has been provided by the Company in support of these charges.

The Staff also objects to the Company's proposed late payment fee of a flat $25.00 under proposed Rule No. 11. Staff notes this fee is inconsistent with the Commission's order of January 10, 1977, in Case No. 19589 where we provided: "Each public utility may charge up to one and one-half percent per month on any customer charges not timely paid." Accordingly, Staff recommended that Rule No. 11 of the Company's tariff be changed to be consistent with that Order which states as follows:

> Each public utility may charge up to one and one-half percent (1-1/2%) per month on any customer charges not timely paid. Appropriate calculation of this late payment charge shall be made at the time of each successive, usual billing date, and the amount of any such charge included as a separately identified item upon the current bill. Before implementing a late payment charge program, the utility must show on its customer bill, in addition to other necessary information, the date on which the bill is delivered to the U.S. mail, or delivered to the customer's premises, together with showing the date by which payment must be received in the utility's offices to avoid late payment charges. In no case shall payment for current service be considered overdue if received by the utility within twenty days from the mailing date or delivered date of the bill. The late payment charge shall not be applied to any amount billed as taxes which utilities may collect on behalf of governmental units.

The Staff does not oppose the Company's proposed customer deposit based on two months' usage.

NOW THE COMMISSION, having considered the Company's application, Staff's report and § 56-265.3 of the Code of Virginia, is of the opinion that the Company should be granted a certificate authorizing it to provide water service to the Walnut Run subdivision in Franklin County. We cannot, however, approve the Company's proposed service connection fee; bad check charge; and turn-on charge inasmuch as the Company has not provided cost information to support these charges. We will adopt Staff's recommendation regarding the proposed late payment fee and will direct the Company to include in its tariff the language proposed by Staff on pages 5-6 of its report and which is quoted above.

Further, we will require that all lots where water service is available upon request pursuant to proposed Rule No. 10, including those owned by the subdivision developers, be subject to the $80.00 per year availability fee. The developers are separate entities from the utility company; they have actual or constructive knowledge of the availability fees; and they have obtained the benefit of having an established water system accessible to their lots. The developers should therefore share the cost of maintaining the water system since § 56-265.13:4 of the Code of Virginia requires that: "charges made by any small water or sewer utility . . . shall be uniform as to all persons or corporations using such service under like conditions . . .."

We will otherwise approve the application of the requested schedule of rates, charges and rules and regulations of service for the subdivision, as modified herein. Accordingly,

IT IS ORDERED THAT:

(1) Franklin Water Company shall be granted a certificate of public convenience and necessity (Certificate No. W-290) authorizing it to provide water service to the Walnut Run subdivision located in Franklin County, Virginia.

(2) The rates, charges, rules, and regulations of service proposed for the Walnut Run subdivision be and hereby are approved as modified herein.

(3) The Company may impose a late payment fee not to exceed 1½% per month on any customer charges not timely paid, and the tariff language in Rule No. 11 pertaining to this charge shall be as proposed by Staff consistent with our Order in Case No. 19589 as cited herein.

(4) The Company shall assess availability fees on all lots where water service is available upon request.

(5) The changes to the Company's rates, rules, and regulations ordered herein shall become effective for service rendered on and after September 1, 1998.

(6) The company shall file within 30 days a revised tariff to reflect the rates, rules, and regulations approved herein; and containing no provisions imposing service connection fees, turn-on charges, or bad-check charges.

(7) There being nothing further to be done in this matter, it be and hereby is dismissed from the Commission's docket of active cases and the papers placed in the file for ended causes.

CASE NO. PUE970543
MAY 20, 1998

COMMONWEALTH OF VIRGINIA, ex rel.
MARY G. MUSSELMAN, et al.
v.
SANVILLE UTILITIES CORPORATION

ORDER DISMISSING PROCEEDING AND DIRECTING REFUNDS

On April 13, 1998, Sanville Utilities Corporation ("Sanville" or the "Company"), by its president, notified the Commission of its intent to withdraw its request for a rate increase. That rate increase was effective for service rendered on and after June 1, 1997. In that filing, the Company also advised the Commission that it had reinstated its old rates effective December 1, 1997.

On April 27, 1998, the Hearing Examiner issued his Report wherein he found that the Company's request to withdraw the requested rate increase should be granted. The Examiner recommended that the Commission enter an order dismissing the proceeding from the Commission's docket of active cases. The Examiner also recommended that the Commission direct the Company to refund its customers any amounts collected in excess of the old rate for the period June 1, 1997, through November 30, 1997. Such refund would be permitted over a period of six months from the date of any final order of the Commission.

No comments were filed to the Hearing Examiner's Report.

NOW THE COMMISSION, having considered the matter, is of the opinion that the Hearing Examiner's findings are reasonable and should be adopted, with the exception of the refund period. We will dismiss this proceeding and direct the Company to make refunds, with interest, as specified herein. We will, however, allow the Company until the end of the calendar year to complete those refunds. Accordingly,

IT IS ORDERED THAT:

(1) On or before January 1, 1999, Sanville shall refund, with interest as directed below, all revenues collected from the application of the interim rates which were effective for service beginning June 1, 1997, and ending November 30, 1997, to the extent such revenues exceed the revenues which would have been generated under the rates previously approved by the Commission.

(2) Interest upon the ordered refunds shall be computed from the date payment of each monthly bill was due during the interim period until the date refunds are made, at an annual rate of 8½ percent.

(3) That the interest required to be paid shall be compounded semi-annually.

(4) The refunds ordered in Paragraph (1) above, may be accomplished by credit to the appropriate customer's account for current customers (each such refund category being shown separately on each customer's bill). Refunds to former customers shall be made by a check to the last known address of such customers when the refund amount is $1 or more. Sanville may offset the credit or refund to the extent no dispute exists regarding the outstanding balances of its current customers, or customers who are no longer on its system. To the extent that outstanding balances of such customers are disputed, no offset shall be permitted for the disputed portion. Sanville may retain refunds owed to former customers when such refund amount is less than $1, and in the event such former customers contact Sanville and request refunds, such refunds shall be made promptly. All unclaimed refunds shall be handled in accordance with § 55-210.6:2 of the Code of Virginia.

(5) On or before March 1, 1999, Sanville shall file with the Staff a document showing that all refunds have been lawfully made pursuant to this Order and itemizing the cost of the refund and accounts charged. Such itemization of costs shall include, inter alia, computer costs, and the personnel-hours, associated salaries and cost for verifying and correcting the refund methodology.

(6) Sanville shall bear all costs of the refunding directed in this Order.

(7) There being nothing further to come before the Commission, this matter shall be dismissed from the Commission docket of pending cases and the papers placed in the file for ended causes.

CASE NO. PUE970545
MARCH 16, 1998

APPLICATION OF
COMMONWEALTH PUBLIC SERVICE CORPORATION

For a general increase in rates

FINAL ORDER

On June 30, 1997, Commonwealth Public Service Corporation ("Commonwealth" or "the Company") filed with the Clerk of the Commission an Application for a general increase in rates. In its Application, the Company proposed an increase in rates to generate additional gross revenues of $98,667 to cover the increased cost of providing utility services based on the test year ended March 31, 1997, as adjusted. The requested increase represented the additional revenue required to permit the Company to earn an overall rate of return of 9.115% on its jurisdictional rate base, including an 11.7% return on equity. By Commission Orders dated July 18, 1997, and August 20, 1997, the Company's proposed rates were suspended for 150 days, or through November 27, 1997. The Commission entered an Order for Notice and Hearing on August 25, 1997, wherein the Commission appointed a Hearing Examiner to hear this case; required the Commission's Staff to investigate the Company's Application; scheduled a hearing on the Application for January 26, 1998; and established procedural dates for the filing of pleadings, prepared testimony and exhibits, and the publication of notice.

On October 20, 1997, the Company filed notice with the Commission of its intent to place the rates and tariffs set forth in its Application into effect for service on and after November 28, 1997. The Company also filed a bond to secure any refunds subsequently ordered by the Commission. By Hearing Examiner's Ruling on November 17, 1997, the bond was accepted for filing and the Company was directed to keep accurate records of all amounts received under the increased rates.

The Company filed a Motion to Reschedule Hearing on December 10, 1997, because the scheduled hearing date conflicted with the annual meeting of the Company's ultimate parent, Roanoke Gas Company. The original hearing date of January 26, 1998, was retained for public comment, but the remainder of the case was heard on February 3, 1998.

Michael D. Thomas, Hearing Examiner, heard the case on February 3, 1998. Counsel for the Company and Staff submitted a joint stipulation that purported to resolve all of the issues in the proceeding. The Examiner issued his Report on February 19, 1998. Any comments to the Report were to be filed by March 6, 1998, and none were received.

In his Report, the Examiner found that:

> (1) The proposed rate increase as set forth in the Joint Stipulation, and Schedule A attached thereto, should be approved by the Commission;
>
> (2) The proposed rates are not unjust, unreasonable, insufficient, or unjustly discriminatory or preferential, or otherwise in violation of the laws of this Commonwealth.

The Examiner recommended that the Commission enter an order adopting the findings in his report, and approving the proposed rate increase set forth in the Joint Stipulation, and Schedule A attached thereto.

NOW THE COMMISSION, upon consideration of the record, the Hearing Examiner's Report, and the applicable statutes, is of the opinion and finds that the findings and recommendations of the Hearing Examiner are reasonable and should be adopted.

Accordingly, IT IS ORDERED THAT:

(1) The findings and recommendations of the February 19, 1998 Report are accepted.

(2) The Joint Stipulation between the Company and Staff, identified as Appendix A hereto, is accepted, and is incorporated into this Order by its attachment.

(3) Commonwealth is hereby authorized to increase its gross annual revenues by $65,917 based on a return on equity of 10.70%, for service rendered on and after November 28, 1997.

(4) On or before April 10, 1998, Commonwealth shall file with the Division of Energy Regulation revised tariffs which are consistent with the findings made herein, effective for service rendered on and after November 28, 1997.

(5) The Company shall forthwith implement the Staff's booking and accounting recommendations to: (i) set up a regulatory asset with a five-year life for legal settlement costs; and (ii) book unbilled revenues at least once annually at fiscal year end. Rate cases and AIFs employing some other fiscal period shall be adjusted for unbilled revenues.

(6) On or before June 9, 1998, Commonwealth shall complete the refund, with interest as directed below, of all revenues collected from the application of the interim rates which became effective for service rendered on and after November 28, 1997, to the extent that such revenues exceeded, on an annual basis, the revenues which would have been collected by application, in lieu thereof, of the permanent rates to be filed in compliance with this Order.

(7) Interest upon the ordered refunds shall be computed from the date payment of each monthly bill was due during the interim period until the date refunds are made, at an average prime rate for each calendar quarter. The applicable average prime rate for each calendar quarter shall be the arithmetic mean, to the nearest one-hundredth of one percent, of the prime rate values published in the Federal Reserve Bulletin, or in the Federal Reserve's Selected Interest Rates (Statistical Release G.13) for the three months of the preceding calendar quarter.

(8) The interest required to be paid shall be compounded quarterly.

(9) The refunds ordered in Paragraph (6) above, may be accomplished by a credit to the appropriate customer's account for current customers (each refund category shown separately on each customer's bill). Refunds to former customers shall be made by a check to the last known address of such customers when the refund amount is $1 or more. Commonwealth may offset the credits or refunds to the extent that no dispute exists regarding the outstanding balances of its current customers, or for customers who are no longer on its system. To the extent that the outstanding balances of such customers are disputed, no offset shall be permitted for the disputed portion. The Company may retain refunds owed to former customers when such amount is less than $1. However, Commonwealth shall prepare and maintain a list detailing each of the former accounts for which refunds are less than $1, and in the event such former customers contact the Company and request refunds, such refunds shall be made promptly. All unclaimed refunds shall be handled in accordance with § 55-210.6:2 of the Code of Virginia.

(10) On or before July 9, 1998, the Company shall file with the Staff a document showing that all refunds have been lawfully made pursuant to this Order and itemizing the cost of the refund and accounts charged. Such itemization of costs shall include, inter alia, computer costs, the personnel hours, associated salaries, and costs for verifying and correcting the refund methodology and developing the computer program.

(11) Commonwealth shall bear all costs of refunds directed in this Order.

(12) The Company shall implement the rate design and revenue apportionment proposals described in Appendix A hereto.

(13) There being nothing further to be done herein, this case shall be dismissed.

NOTE: A copy of Appendix A entitled "Joint Stipulation" is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

CASE NO. PUE970560
NOVEMBER 24, 1998

COMMONWEALTH OF VIRGINIA, et rel.
STATE CORPORATION COMMISSION
v.
COLUMBIA GAS OF VIRGINIA, INC.,
Defendant

ORDER OF SETTLEMENT

The Natural Gas Pipeline Safety Act, 49 U.S.C. § 60101 et seq. ("Act"), requires the Secretary of Transportation ("Secretary") to establish minimum federal safety standards for the transportation of gas and pipeline facilities. The Secretary is further authorized to delegate that authority to prescribe safety standards and enforce compliance with such standards over gas pipeline facilities used for intrastate transportation to an appropriate state agency.

The Virginia State Corporation Commission ("Commission") has been designated as the appropriate state agency for the Commonwealth of Virginia. In Case No. PUE890052, the Commission adopted Parts 191, 192, 193, and 199 of Title 49 of the Code of Federal Regulations to serve as minimum gas pipeline safety standards ("Safety Standards") in Virginia. The Commission is authorized to enforce the Safety Standards under Va. Code Ann. § 56-5.1 (1993 Cum. Supp.), which allows the Commission to impose fines and penalties not in excess of those specified by § 60122(a)(1) of the Act.

The Commission's Division of Energy Regulation ("Division"), charged with investigation of each jurisdictional company's compliance with the Safety Standards, has conducted an investigation of Columbia Gas of Virginia, Inc. formerly known as Commonwealth Gas Services, Inc. ("CGV" or "Company"), the Defendant, and alleges:

(1) That CGV is a public service corporation as that term is defined in Va. Code Ann. § 56-1 (1986 Repl. Vol.) and, specifically a natural gas company within the meaning of Va. Code Ann. § 56-5.1 (1993 Cum. Supp.); and

(2) That between November 20, 1995, and August 5, 1997, the following probable violations of various subparts of 49 C.F.R. § 192 and 193 by CGV were investigated by the Division:

(a) Failing on one occasion to make available plans and procedures upon request at the Company's LNG plant;

(b) Failing on one occasion to properly document the results of leak survey at the LNG plant;

(c) Failing on one occasion to protect above ground plastic service line;

(d) Failing on certain occasions to comply with the Company's procedures;

(e) Failing on certain occasions to protect meters and service regulators from damage;

(f) Failing on one occasion to protect pipeline from washout; and

(g) Failing on certain occasions to mark pipeline facilities.

The Company neither admits nor denies these allegations, but admits the Commission's jurisdiction and authority to enter this order. As an offer to settle all matters arising from the allegations made against it, CGV represents and undertakes that:

(1) The Company will pay a fine to the Commonwealth of Virginia in the amount of $61,250 to be paid contemporaneously with the entry of this Order. This payment will be made by check, payable to the Treasurer of Virginia, and directed to the attention of the Director of the Division of Energy Regulation;

(2) Pursuant to Va. Code Ann. § 12.1-15 (1993 Repl. Vol.), the Company will also pay contemporaneously with the entry of this Order the sum of $1,757.56 to defray the cost of undertaking this investigation. This payment will also be made by check, payable to the Treasurer of the Commonwealth of Virginia and directed to the attention of the Director of the Division of Energy Regulation; and

(3) Any fines and costs of the investigation paid in accordance with this Order shall not be recovered in the Company's rates as part of the cost of service. Any such fines and costs shall be booked in Uniform System of Account No. 426.3. The Company shall verify its booking by filing a copy of the trial balance showing this entry with the Commission's Division of Public Utility Accounting.

The Commission being fully advised in the premises and finding sufficient basis herein for the entry of this Order, and in reliance on the Defendant's representations and undertakings set forth above, is of the opinion and finds that CGV has made a good faith effort to cooperate with the Staff during the investigation of this matter, and therefore, the offer of compromise and settlement should be accepted. Accordingly,

IT IS ORDERED THAT:

(1) Pursuant to the authority granted the Commission by Va. Code Ann. § 12.1-15 (1993 Repl. Vol.), the offer to compromise and settle made by CGV be, and it hereby is, accepted.

(2) Pursuant to Va. Code Ann. § 56-5.1 (1993 Cum. Supp.), CGV be and it hereby is, fined in the amount of $61,250.

(3) The sum of $61,250 tendered contemporaneously with the entry of this Order is accepted.

(4) Pursuant to § 12.1-15, CGV's payment of the sum of $1,757.56 to defray the costs of this investigation is hereby accepted.

(5) This case is dismissed and the papers herein be placed in the file for ended causes.

CASE NO. PUE970561
MAY 5, 1998

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
VIRGINIA NATURAL GAS, INC.,
Defendant

ORDER OF SETTLEMENT

The Natural Gas Pipeline Safety Act, 49 USC § 60101 et seq. ("Act"), requires the Secretary of Transportation ("Secretary") to establish minimum federal safety standards for the transportation of gas and pipeline facilities. The Secretary is further authorized to delegate that authority to prescribe safety standards and enforce compliance with such standards over gas pipeline facilities used for intrastate transportation to an appropriate state agency.

The Virginia State Corporation Commission ("Commission") has been designated as the appropriate state agency for the Commonwealth of Virginia. In Case No. PUE890052, the Commission adopted Parts 191, 192, 193, and 199 of Title 49 of the Code of Federal Regulations to serve as minimum gas pipeline safety standards ("Safety Standards") in Virginia. The Commission is authorized to enforce the Safety Standards under § 56-5.1 of the Code of Virginia, which allows the Commission to impose fines and penalties not in excess of those specified by § 60122(a)(1) of the Act.

The Commission's Division of Energy Regulation ("Division"), charged with investigation of each jurisdictional company's compliance with the Safety Standards, has conducted an investigation of Virginia Natural Gas, Inc., ("VNG" or "Company"), the Defendant, and alleges:

(1) That VNG is a public service corporation as that term is defined in § 56-1 of the Code of Virginia and, specifically a natural gas company within the meaning of § 56-5.1 of the Code of Virginia; and

(2) That between August 27, 1996, and April 8, 1998, VNG was in probable violation of various subparts of Part 192 of 49 C.F.R. by the following alleged conduct:

(a) Failing on certain occasions to construct pipelines in accordance with written specifications or standards;

(b) Failing on one occasion to have and/or follow comprehensive written construction specifications; and

(c) Failing on one occasion to inspect a pipeline to ensure proper connection.

The Company neither admits nor denies these allegations, but admits the Commission's jurisdiction and authority to enter this order. As an offer to settle all matters arising from the allegations made against it, VNG represents and undertakes that:

(1) The Company will pay a fine to the Commonwealth of Virginia in the amount of $25,000 to be paid contemporaneously with the entry of this Order. This payment will be made by check, payable to the Treasurer of Virginia, and directed to the attention of the Director of the Division of Energy Regulation;

(2) Pursuant to § 12.1-15 of the Code of Virginia, the Company will also pay contemporaneously with the entry of this Order the sum of $2,090.28 to defray the cost of undertaking this investigation. This payment will also be made by check, payable to the Treasurer of the Commonwealth and directed to the attention of the Director of the Division of Energy Regulation; and

(3) Any fines and costs of the investigation paid in accordance with this Order shall not be recovered in the Company's rates as part of the cost of service. Any such fines and costs shall be booked in Uniform System of Account No. 426.3. The Company shall verify its booking by filing a copy of the trial balance showing this entry with the Commission's Division of Public Utility Accounting.

The Commission being fully advised in the premises and finding sufficient basis herein for the entry of this Order, and in reliance on the Defendant's representations and undertakings set forth above, is of the opinion and finds that VNG has made a good faith effort to cooperate with the Staff during the investigation of this matter, and therefore, the offer of compromise and settlement should be accepted. Accordingly,

IT IS ORDERED:

(1) That pursuant to the authority granted the Commission by § 12.1-15 of the Code of Virginia, the offer to compromise and settle made by VNG be, and it hereby is, accepted;

(2) That pursuant to § 56-5.1 of the Code of Virginia, VNG be and it hereby is, fined in the amount of $25,000;

(3) That the sum of $25,000 tendered contemporaneously with the entry of this Order is accepted;

(4) That pursuant to § 12.1-15, VNG's payment of the sum of $2,090.28 to defray the costs of this investigation is hereby accepted; and

(5) That this case is dismissed and the papers herein be placed in the file for ended causes.

CASE NO. PUE970562
JUNE 19, 1998

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
WASHINGTON GAS LIGHT COMPANY,
Defendant

ORDER OF SETTLEMENT

The Pipeline Safety Act, 49 USC § 60101 et seq. ("Act"), requires the Secretary of Transportation ("Secretary") to establish minimum federal safety standards for the transportation of gas and pipeline facilities. The Secretary is further authorized to delegate that authority to prescribe safety standards and enforce compliance with such standards over gas pipeline facilities used for intrastate transportation to an appropriate state agency.

The Virginia State Corporation Commission ("Commission") has been designated as the appropriate state agency for the Commonwealth of Virginia. In Case No. PUE890052, the Commission adopted Parts 191, 192, 193, and 199 of Title 49 of the Code of Federal Regulations to serve as minimum gas pipeline safety standards ("Safety Standards") in Virginia. The Commission is authorized to enforce the Safety Standards under § 56-5.1 of the Code of Virginia, which allows the Commission to fine up to $25,000 for each violation. A separate violation occurs for each day the violation continues. The maximum civil penalty under 49 USC § 60122.2 for a related series of violations is $500,000.

The Commission's Division of Energy Regulation ("Division"), charged with investigation of each jurisdictional gas company's compliance with the Safety Standards, has conducted an investigation of Washington Gas Light Company ("WG" or "Company"), the Defendant, and alleges:

(1) That WG is a public service corporation as that term is defined in § 56-1 of the Code of Virginia, and, specifically a natural gas company within the meaning of § 56-5.1; and

(2) That between January 26, 1996, and June 11, 1997, WG violated the Commission's Safety Standards, by the following conduct:

(a) Failing on one occasion to place markers on an aboveground pipeline in an area accessible to the public;

(b) Failing to fully comply with the requirements of 49 CFR §§ 192.615(b) and 192.615(c);

(c) Failing on certain occasions to inspect joints to ensure compliance with 49 CFR, Part 192, Subpart F;

(d) Failing to have adequate procedures for responding to corrosion control deficiencies discovered during monitoring;

(e) Failing on certain occasions to monitor critical valves in accordance with the Standards; and

(f) Failing on certain occasions to protect gas meters from damage.

The Company neither admits nor denies these allegations, but admits the Commission's jurisdiction and authority to enter this order. As an offer to settle all matters arising from the allegations made against it, WG represents and undertakes that:

(1) The Company will pay a fine to the Commonwealth of Virginia in the amount of $19,000, to be paid contemporaneously with the entry of this order. This payment will be made by check, payable to the Treasurer of Virginia, and directed to the attention of the Director of the Commission's Division of Energy Regulation;

(2) Pursuant to § 12.1-15 of the Code of Virginia, the Company will also pay contemporaneously with the entry of this order the sum of $797.60 to defray the cost of undertaking this investigation. This payment will also be made by check, payable to the Treasurer of Virginia and directed to the attention of the Director of the Commission's Division of Energy Regulation;

(3) Any fines and costs paid in accordance with this order shall not be recovered in the Company's rates as part of the cost of service. Any such fines or costs shall be booked in Uniform System of Accounts No. 426.3. The Company shall verify its booking by filing a copy of the trial balance showing this entry with the Commission's Division of Public Utility Accounting.

The Commission, being fully advised in the premises and finding sufficient basis herein for the entry of this order, and in reliance on the Defendant's representations and undertakings set forth above, is of the opinion and finds that WG has made a good faith effort to cooperate with the Staff after the investigation, and therefore, this offer of compromise and settlement should be accepted. Accordingly,

IT IS ORDERED THAT:

(1) Pursuant to the authority granted the Commission by § 12.1-15 of the Code of Virginia, the offer of compromise and settlement made by WG be, and it hereby is, accepted.

(2) Pursuant to § 56-5.1 of the Code of Virginia, WG be and it hereby is, fined in the amount of $19,000.

(3) That the sum of $19,000 tendered contemporaneously with the entry of this order is accepted.

(4) Pursuant to § 12.1-15 of the Code of Virginia, WG's payment of the sum of $797.60 to defray the costs of this investigation is hereby accepted.

(5) This case shall be dismissed and the papers herein shall be placed in the file for ended causes.

CASE NO. PUE970613
JANUARY 15, 1998

APPLICATION OF
DELMARVA POWER & LIGHT COMPANY

For approval of the special contract under § 56-235.2 of the Code of Virginia

ORDER AUTHORIZING PROPOSED REAL TIME PRICING-FIRM RATE SCHEDULE

On July 24, 1997, Delmarva Power & Light Company ("Delmarva" or the "Company") filed an application with the State Corporation Commission ("Commission") requesting approval pursuant to § 56-235.2 of the Code of Virginia of a special contract to supply electric service to Tyson Foods, Inc. ("Tyson"), which is currently served under Delmarva's General Service-Primary Rate Schedule. On November 13, 1997, Delmarva revised its application to convert the proposed special contract to an experimental real time pricing-firm rate schedule ("RTP-F") and requested approval pursuant to § 56-234 of the Code of Virginia. Five of Delmarva's General Service customers located in Virginia would be eligible to take service under proposed schedule RTP-F. Delmarva proposed that the experimental tariff be made effective at the earliest date possible and continue until ninety (90) days after issuance by the Commission of a Final Order in a pending rulemaking proceeding. In Case No. PUE970695, the Commission will consider guidelines for special rates, contracts or incentives pursuant to § 56-235.D of the Code of Virginia.

As proposed, experimental schedule RTP-F would allow customers with maximum demands with 1,000 kWh or more to shift twenty percent of their existing load and 100% of any incremental load to real time pricing. The rate would include: (i) a customer charge of $1,000 a month; (ii) an

incremental fixed demand charge; (iii) an hourly market clearing energy price; and (iv) an incremental energy charge of $.0075 per kWh. The incremental fixed demand charge would recover production, transmission and distribution costs. The market clearing energy charge would reflect the actual hourly Pennsylvania-New Jersey-Maryland market clearing energy price adjusted for line loss but would not be less than $.009 per kWh. The minimum contract term would be five years.

Staff filed its testimony on November 24, 1997. Staff stated that the proposed rate was designed to be revenue neutral with respect to the general service class, as the revenues and billing determinants used to design the experimental rate were the same as those for the general service rate schedule. Staff noted that the proposed schedule will not be revenue neutral if customers alter their usage patterns. Staff noted, however, that any potential revenue loss should be minimal, as only five customers qualify for service under the experimental schedule. Staff further noted that fuel factor revenues would not be affected as a levelized fuel factor is reflected in proposed schedule RTP-F.

Staff recommended approval of the experimental rate, as it should allow general service customers to incorporate market demand considerations into their purchase and consumption decisions; allow Delmarva to gather information on the impact of offering market based prices to a small group of customers; and allow it to gather information to help design market based tariffs in the future. Staff did, however, suggest that the rate be independent of the Commission's consideration of guidelines for special rates pursuant to § 56-235.D of the Code of Virginia in Case No. PUE970695. Staff recommended that qualifying customers have an opportunity to contract for service on the experimental rate during a three-year period rather than only ninety (90) days after the approval of guidelines in Case No. PUE970695, as proposed by the Company.

On December 11, 1997, Delmarva advised the Commission that it concurred with Staff's suggested modifications and submitted a revised availability provision for Service Classification RTP-F.

Public hearings were convened on November 25, 1997 and December 17, 1997, to hear public comment and receive evidence relevant to the application. Delmarva's prefiled testimony and revised tariff sheets and Staff's testimony were marked as exhibits and admitted into the record without cross examination.

At the close of the December 17, 1997 hearing, Senior Hearing Examiner Ellenberg gave her ruling from the bench, finding that the proposed experimental rate is necessary in order to acquire information which is or may be in furtherance of the public interest and that the proposed experimental rate should be approved pursuant to § 56-234 of the Code of Virginia. The Examiner recommended that the Commission enter an order that adopts her findings, approves the proposed real time pricing-firm rate schedule, as attached to Delmarva's November 13, 1997 motion and revised by letter dated December 11, 1997, and dismisses this case from the Commission's docket of active cases.

The Commission, upon consideration of the record herein, finds that a three-year experimental pilot program should be approved, subject to the Commission's ongoing oversight. Such information will enable the Company and the Commission to determine whether the program is feasible and should be implemented on a permanent basis.

While designed to be revenue neutral, Staff's testimony states that Delmarva may experience some revenue loss if customers under the experimental tariff alter their usage patterns. Accordingly, the Commission makes no findings in this order addressing whether such potential losses may be recovered from ratepayers. We likewise make no finding regarding the reasonableness or the recovery of the program's other associated costs. Accordingly,

IT IS ORDERED THAT:

(1) The experimental schedule RTP-F proposed by Delmarva is hereby approved for a period of three years from the date of this order, subject to the Commission's ongoing oversight.

(2) Delmarva file a status report with the Commission's Divisions of Economics and Finance and Energy Regulation every six months during the term of the pilot program. The Commission Staff shall forthwith notify Delmarva of the data to be included in said reports.

(3) Delmarva shall file a final report and analysis of the pilot program not later than six months following the end of the implementation period and not later than December 1, 2001.

(4) This matter be continued until further order of the Commission.

CASE NO. PUE970616
JULY 16, 1998

APPLICATION OF
SHENANDOAH GAS COMPANY

For authority to increase its rates and charges for gas service and to revise its tariffs

FINAL ORDER

On August 1, 1997, Shenandoah Gas Company ("Shenandoah" or the "Company") filed a general rate application requesting authority to increase its rates and charges for natural gas service and to revise its tariffs. The proposed rates are designed to increase Shenandoah's total annual operating revenues by $2,306,000.

The case was heard before Hearing Examiner, Alexander F. Skirpan, Jr., on March 18, 1998, with only the Company and Staff participating. The Company and Staff tendered an Offer of Stipulation that proposed agreement on all issues in the case except the proper cost of capital and capital structure. That stipulation was subsequently amended to include language concerning the realignment of the regulatory activities of the Company's parent, Washington Gas Light ("WGL"), in response to problems noted by Staff Witness Cody D. Walker ("Amended Stipulation").

Pursuant to the Company's request and an Examiner's Ruling dated April 6, 1998, Shenandoah filed revised interim rates designed to recover an increase of $2,017,244 effective for service rendered on and after April 8, 1998. The revised interim rates incorporated Staff's revenue requirement adjustments, Shenandoah's requested cost of capital, and Staff's revenue apportionment and rate design recommendations.

On June 5, 1998, the Examiner issued his Report. In his Report, he found the Amended Stipulation to be "a reasonable and just resolution to all revenue requirement (other than cost of capital), rate design, and revenue apportionment issues." The Examiner also found that the capital structure should be the average capital structure for the period ending September 30, 1997, as proposed by the Company, except that short-term debt should be based upon the actual average daily balance for the twelve month period ending September 30, 1997, without the $30 million reduction proposed by the Company.[1] The Examiner made the following additional findings and recommendations:

(1) The use of a test year ending March 31, 1997, is proper in this proceeding;

(2) The Company's test year operating revenues, after all adjustments, were $21,172,908;

(3) The Company's test year operating revenue deductions, after all adjustment, were $18,516,517;

(4) The Company's test year net operating income and adjusted net operating income, after all adjustments, were $2,656,391 and $2,640,881, respectively;

(5) The Company's current rates produce a return on adjusted rate base of 6.74% and a return on equity of 6.36%;

(6) The Company's current cost of equity is within a range of 10.20% - 11.20%, and the Company's rates should be established based on the 10.70% midpoint of the equity range;

(7) The Company's overall cost of capital, using the midpoint of the equity range and capital structure found reasonable, is 9.062%.

(8) The Company's adjusted test year rate base is $39,160,271;

(9) The Company's application requesting an annual increase in revenues of $2,306,000 is unjust and unreasonable because it will generate a return on rate base greater than 9.062%;

(10) The Company requires $1,435,198 in additional gross annual revenues to earn a 9.062% return on rate base;

(11) The Company's proposed rate design, its revenue apportionment, including the establishment of separate rate schedules for residential service, commercial and industrial service, group metered apartment service, and interruptible service should be modified in accordance with the Amended Stipulation;

(12) The Company should institute new miscellaneous charges and adjust existing miscellaneous charges in accordance with the Amended Stipulation;

(13) The Company should file permanent rates designed to produce the additional revenues found reasonable using the revenue apportionment methodology proposed by the Staff and agreed to by the Company in the Amended Stipulation;

(14) The Company should be required to refund, with interest, all revenues collected under its interim rates in excess of the amount found just and reasonable;

(15) The Company shall revise the Margin Sharing Mechanism to exclude from the calculation the non-gas margins as specified in the Amended Stipulation;

(16) The Company shall conduct a new depreciation study and file it with the Commission by the earlier of its next rate filing, or before March 18, 2001; and

(17) The Company shall implement Staff's accounting recommendations as detailed in Witness Sartelle's testimony in accordance with the Amended Stipulation.

The Examiner recommended that the Commission enter an order that adopts the findings in his Report; grants the Company an increase in gross annual revenues of $1,435,198; and directs the prompt refund of all amounts collected under interim rates in excess of that found reasonable in his Report.

On June 19, 1998, Shenandoah filed comments on the Hearing Examiner's Report. In its comments Shenandoah requested that the Commission adopt the Hearing Examiner's findings and recommendations with the exception of the findings relative to short-term debt and cost of equity. Shenandoah requested that the Commission adopt its adjustment reducing the average daily balance of short-term debt in its capital structure by $30 million and adopt its recommended cost of equity range of 12.0% - 12.5%.

NOW THE COMMISSION, having considered the Examiner's Report, the Amended Stipulation, the comments to the Report, and the applicable statutes and rules, is of the opinion and finds that the findings and recommendations contained in the Examiner's Report are reasonable and should

[1] The Company proposed that all elements of the capital structure, with the exception of short-term debt, be based on an average calculated using the end of each quarter period for the year ending September 30, 1997. The Company also proposed that short-term debt be based on the daily average balance of short-term debt for the period ending September 30, 1997, adjusted to remove $30 million of short-term debt refinanced with long-term debt on September 25, 1997.

be adopted. We recognize that the use of an average capital structure reflects a change from the capital structure approved in the past for Shenandoah. In this case, however, we believe that the Hearing Examiner's recommendation appears to provide the most reasonable capital structure on a prospective basis. Accordingly,

IT IS ORDERED THAT:

(1) The finding and recommendations contained in the Examiner's June 5, 1998 Report are hereby adopted and Shenandoah shall comply with the directives contained in the findings set out in that Report and in this Order.

(2) On or before September 1, 1998, Shenandoah shall file revised schedules of rates and charges and revised terms and conditions of service consistent with the findings herein, effective for service rendered on and after July 31, 1998.

(3) On or before October 1, 1998, Shenandoah shall refund, with interest as directed below, all revenues collected from the application of the interim rates, which became effective for service rendered on and after December 28, 1997, to the extent such revenues exceeded, on an annual basis, the revenues that would have been collected by application of the permanent rates to be filed in compliance with this Order.

(4) Interest upon such refunds shall be computed from the date payment of each monthly bill was due during the interim period until the date refunds are made, at an average prime rate for each calendar quarter. The applicable average prime rate for each calendar quarter shall be the arithmetic mean, to the nearest one-hundredth of one percent, of the prime rate values published in the Federal Reserve Bulletin, or in the Federal Reserve's Selected Interest Rates, for the three months of the preceding calendar quarter.

(5) The interest required to be paid shall be compounded quarterly.

(6) The refunds ordered in paragraph (3) herein may be accomplished by credit to the appropriate customer's account for current customers (each refund category being shown separately on each customer's bill). Refunds to former customers shall be made by a check to the last known address of such customers when the refund amount is $1.00 or more. Shenandoah may offset the credit or refund to the extent no dispute exists regarding the outstanding balances of its past or current customers. To the extent that outstanding balances of such customers are disputed, no offset shall be permitted for the disputed portion. Shenandoah may retain refunds owed to former customers when such refund is less than $1.00; however, Shenandoah shall prepare and maintain a list detailing each of the former accounts for which refunds are retained and, in the event such former customers request refunds, such refunds shall be made promptly. All unclaimed refunds shall be handled in accordance with § 55-210.6:2 of the Code of Virginia.

(7) On or before November 2, 1998, Shenandoah shall file with the Commission's Division of Energy Regulation a document showing that all refunds have been lawfully made pursuant to this Order and itemizing the costs of the refund and account charged. Such itemization of costs shall include, inter alia, computer costs, personnel hours, associated salaries and costs for verifying and correcting the refund methodology and developing a computer program.

(8) Shenandoah shall bear all costs of the refunds directed herein.

(9) This case shall be dismissed and the papers placed in the file for ended causes.

CASE NO. PUE970616
AUGUST 7, 1998

APPLICATION OF
SHENANDOAH GAS COMPANY

For authority to increase its rates and charges for gas service and to revise its tariffs

AMENDING ORDER NUNC PRO TUNC

On July 16, 1998, the State Corporation entered an Order granting Shenandoah Gas Company ("Shenandoah") authority to increase its rates and charges for gas service and to revise its tariffs consistent with the findings and recommendations contained in the Hearing Examiner's June 5, 1998 Report. In ordering paragraph (2) of that Order, the Commission directed Shenandoah to file, on or before September 1, 1998, revised schedules of rates and charges and revised terms and conditions of service consistent with the findings therein, effective for service rendered on and after July 31, 1998.

Ordering paragraph (2) of that Order incorrectly referenced the effective date for service rendered pursuant to interim rates established by our Order of August 20, 1997. That date should have been December 28, 1997.

NOW THE COMMISSION, upon consideration of the matter, is of the opinion that our July 16, 1998 Order should be corrected nunc pro tunc to correct the reference in ordering paragraph (2) to reflect the proper date of service rendered pursuant to Shenandoah's interim rates.

Accordingly, IT IS ORDERED THAT:

(1) Our July 16, 1998 Order shall be corrected to reference the proper date of application of Shenandoah's interim rates.

(2) The corrected date for service referenced on page 6, ordering paragraph (2) of the above referenced Order shall be to service rendered on and after December 28, 1997.

CASE NO. PUE970695
MARCH 20, 1998

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION

Ex Parte, In re: Promulgation of Guidelines for Special Rates, Contracts or Incentives pursuant to Virginia Code § 56-235.2 D

FINAL ORDER

Section 56-235.2 of the Code of Virginia was amended by the 1996 General Assembly to permit utilities to request special rates, contracts, or incentives for particular customers or classes of customers. Section 56-235.2 D, as amended, includes a subsection that requires the Commission to issue guidelines for special rates, contracts or incentives "that will ensure that other customers are not caused to bear increased rates as a result of such special rates." § 56-235.2 D of the Code of Virginia.

By Order dated September 16, 1997, the Commission provided notice, scheduled a hearing, and invited interested parties to file written comments and to propose additions, modifications or deletions to the Guidelines recommended by Commission Staff.[1]

On January 20, 1998, Chief Hearing Examiner Deborah V. Ellenberg issued her Report. She incorporated the suggestion of Washington Gas Light Company and Shenandoah Gas Company that the heading of the Guidelines be changed from "Electric Service" to "Utility Service" to clarify that the Guidelines will apply to all utilities. The Hearing Examiner found that, on the whole, the participants raised three common concerns: (1) a need for greater guidance as to what constitutes compliance with the statutory standards; (2) a desire to establish time parameters for Commission review in order to expedite processing of applications under this provision; and (3) the need to provide for confidentiality of the provisions of contracts filed pursuant to § 56-235.2.

With respect to the request for greater guidance, the Hearing Examiner noted that the statute already establishes broad standards, requiring that the Commission ensure that a special rate, contract or incentive "(i) protects the public interest, (ii) will not unreasonably prejudice or disadvantage any customer or class of customers, and (iii) will not jeopardize the continuation of reliable electric service." § 56-235.2 C of the Code of Virginia. The Hearing Examiner rejected the suggestion of certain of the participants that more specific criteria for approval of a special rate be developed. She shares Staff's concern that more experience should be gained with processing such applications before establishing more specific criteria. The Hearing Examiner found that the determination of whether a particular special rate satisfies the statutory requirements of § 56-235.2 should be made on a case-by-case basis since the diversity of innovative proposals is thus far unknown.

One of the issues raised by participants in their initial comments was how a special rate, contract or incentive should be analyzed to determine its effect on the rates of other customers. That is, should the revenue derived from the special rate be compared with a presumptive absence of revenue, or should the revenue from the special rate be compared with revenue that would derive from existing tariffs. The Hearing Examiner agreed with the comments of certain participants that the standard for analyzing whether a special rate would cause other customers to bear increased rates should start with a determination of whether the revenues from the special rate would exceed the utility's variable costs of providing the service, noting that revenues in excess of variable costs would contribute to the recovery of fixed costs. She found, however, that in some cases, a complete analysis would also require a comparison of the revenues the utility would have generated if the customer had continued to take service under the existing tariff. The Hearing Examiner stated that the full analysis of any rate program should occur in a rate case and should take into consideration the particular circumstances regarding the loss of load or the attraction of new load. She also stated that all participants recognized that the rate analysis of a special rate should, and will, be part of a future rate case.

Based on her findings, the Hearing Examiner concluded that the draft Guidelines should not be changed with respect to the criteria for review of special rates. She did recommend, however, that a preamble should be added to the guidelines to define the general purpose of special rates and suggested the following language:

> These guidelines are applicable to special rates, contracts or incentives intended to prevent loss of existing load and/or to attract new load for the purpose of keeping rates to other customers lower than they would otherwise be given the probability of loss of such existing load or the failure to attract new load.[2]

The second primary concern addressed by the Hearing Examiner is whether the Commission should establish time limits for acting upon applications under § 56-235.2 in order to expedite the review of these applications. Neither Staff nor the Hearing Examiner supported the suggestion of certain of the parties that the Commission impose a timeframe within which it must act upon the application or have the application be deemed approved as filed by operation of law. While the Hearing Examiner recognized the need for prompt action on § 56-235.2 applications, she noted that these applications will vary widely in terms of the time required for adequate review and found that "[i]t would be unwise to establish specific time parameters for review without a better understanding of the scope and nature of the applications." Id. at 9. The Hearing Examiner observed that the statute requires that the Commission find that specific standards have been satisfied as a prerequisite of its approval and, therefore, the Commission cannot establish what would be, in essence, a default provision. In addition, she noted that the statute requires notice and hearing for applications under § 56-235.2; therefore, the Commission is not permitted to approve these applications, even noncontroversial ones, without a hearing.

With respect to the treatment of sensitive or proprietary material, the Hearing Examiner stated that clearly the burden of showing good cause to protect certain information from open disclosure falls on the party seeking such protection. She found that the language suggested by Appalachian Power Company, doing business in Virginia as AEP-Virginia ("AEP-Virginia"), would not shift the burden but would expedite the approval process by specifying

[1] The draft Guidelines were proposed by Staff and were included as an attachment to the September 16 Order. On November 26, 1997, Staff filed proposed revisions to the draft Guidelines that were based on its review of the comments filed by interested persons.

[2] Hearing Examiner's Report at 8.

measures for the preliminary treatment of information that may be sensitive or proprietary.[3] The Hearing Examiner recommended that AEP-Virginia's language be adopted, with minor modifications.[4] She further recommended that, when a dispute arises, the burden to show that the information is material and necessary should shift to the party seeking the information after the party seeking to maintain protection shows that disclosure would be harmful.[5]

The Hearing Examiner also rejected the suggestion that the Commission should establish a customer usage threshold that would trigger the analysis of the rate impact of a special rate, contract or incentive. She found that no evidence was presented to support the assertion that a special rate offered to a customer below a certain size would have no adverse impact on the other customers, a finding that is required by the statute, and concluded that a threshold for exemption applicable to all utilities should not be established. The Hearing Examiner proposed Guideline No. 7 which allows an exemption from the requirements of Guideline Nos. 5 and 6 if the utility can provide an alternative analysis to support a finding that its other customers would not be adversely affected. The Hearing Examiner found that, while limits will vary from utility to utility, such a limit should not exceed 5 MW and each utility seeking a threshold exemption should justify the size limit appropriate for its system.[6]

Comments on the Hearing Examiner's Report were filed by AEP-Virginia, the Virginia, Maryland and Delaware Association of Electric Cooperatives ("Association"), and Virginia Electric and Power Company ("Virginia Power"). These three parties generally supported the Guidelines as modified by the Hearing Examiner, but nevertheless proposed certain changes.

Specifically, AEP-Virginia urges the Commission not to adopt the Hearing Examiner's proposed preamble, asserting that the preamble "would cause uncertainty about the scope of the Guidelines and detract from their effectiveness." AEP-Virginia Comments at 2. AEP-Virginia is concerned that the preamble's language could be interpreted to apply only to special rates that would prevent the loss of existing load or attract new load, but asserts that there could be other categories of special rate, contracts or incentives. AEP-Virginia contends that this language could be construed to imply that other possible categories of special rates may be impermissible or, if permissible, need not satisfy the Guideline's criteria. Moreover, AEP-Virginia asserts, the preamble is unnecessary.

In addition, AEP-Virginia continues to believe that language providing for the expedited treatment of applications for special rates should be added to the Guidelines. It states that the General Assembly could not have intended for lengthy notice and hearing requirements since uncertainty about the length of the approval process could negatively impact the parties' ability to negotiate special rates. AEP-Virginia states that there are alternative ways of providing for notice and hearing. It urges the Commission to establish a standard, expedited procedure for notice and hearing, noting that the Commission could provide for an exception for more extended procedures in more complex cases.

Finally, AEP-Virginia is concerned that Guideline No. 5, suggested by the Hearing Examiner, appears to require applicants to compare rates of return on equity calculated by customer class. It contends that such a requirement would require a substantial effort, similar to the effort required by a cost-of-service study, would slow down the approval process and may not be necessary in the context of special rates, contracts or incentives. It suggests that the phrase "return on equity" in Guideline No. 5 be replaced by the phrase "increased or decreased contribution to fixed cost" and that the remainder of the sentence after the word "applicable" be deleted.[7] AEP-Virginia also suggests that Guideline No. 7, which provides for an exemption from compliance with Guideline Nos. 5 and 6 for customers with loads no greater than 5 MW, be modified in a way that would avoid the creation of unnecessary procedural steps that could delay the review process. Specifically, AEP-Virginia recommends that the first sentence of Guideline No. 7 be changed to read: "Requests for special rates, contracts or incentives for customers with total load no greater than 5 MW need not comply with Guidelines 5 and 6." Id. at 5.

The Association supports the Hearing Examiner's recommendations and requests only that the Commission reconsider the issue of whether a timeframe for the processing of § 56-235.2 applications should be established. The Association believes that establishing time parameters, or even the provision of a general statement of the Commission's intent to act on applications within a certain time, would be beneficial given the time sensitivity of special rate proceedings.

Virginia Power generally endorses the Hearing Examiner's modifications to the Guidelines as reasonable, appropriate and supported by the record; however, it requests three additional clarifications or changes. First, it requests that the Commission clarify that the words "new load" in the proposed preamble refer to new customers' loads and the new load of an existing customer that has expanded as a result of the availability of a special rate.

Second, Virginia Power continues strongly to recommend that time parameters for acting on the applications be established. It states that while it agrees with the Hearing Examiner that some applications will be more complex than others and that each application should be addressed on its merits, it believes that these considerations should not preclude the imposition of a deadline for Commission action. Virginia Power suggests a ninety day time limit for evaluation, notice and final action on § 56-235.2 applications and that, if the Commission does not act within ninety days, the application be deemed completed and approved as filed.

Third, Virginia Power contends that the Hearing Examiner's Report failed to address correctly the requirement that an applicant provide information on the estimated effect that service provided under a proposed special rate would have on the applicant and its customers. The Company asserts that in situations involving new, previously unserved load, the load of an expanding customer or the prevention of loss of an existing customer, the comparison should be the increased margins derived from providing service to the load under the special rate, as opposed to not serving the load at all.

[3] See id. at 6.

[4] See Guideline No. 2.

[5] Hearing Examiner's Report at 8-9.

[6] Id. at 10.

[7] Thus, AEP-Virginia proposes to change the sentence that now reads: "Describe in detail the estimated effect that service provided under the proposed special rate, contract, or incentive will have on total company revenues, total company expenses, and on the return on equity or margins, if applicable, for the customer class in which the participating customer resides." to read: "Describe in detail the estimated effect that service provided under the proposed special rate, contract, or incentive will have on total company revenues, total company expenses, and on the increased or decreased contribution to fixed cost or margins, if applicable."

Virginia Power believes that this approach will recognize that, without the special rate, load could be lost and "the Commonwealth will lose the opportunity for economic growth." Virginia Power Comments at 3. Virginia Power believes that the Guidelines should require an applicant to provide information that will enable Staff to determine that the proposed rate is designed to cover incremental costs, plus a margin as a contribution to the recovery of fixed costs. The Company asserts that this approach would ensure that special rates do not unreasonably prejudice or disadvantage any customer or class of customers and that other customers are not caused to bear increased rates as a result of the special rate.

NOW, upon consideration of the proposed Guidelines, the record herein, the Hearing Examiner's Report, and the comments thereto, the Commission is of the opinion and finds that the recommendations of the Hearing Examiner are supported by the record and should be adopted, with the modifications discussed below.

As an initial matter, we will clarify the scope of the Guidelines. Section 56-235.2 is confusing. Subsection A clearly applies to all utilities and was amended in 1996 to provide for special rates, contracts or incentives. Subsection B allows alternative regulatory plans for electric utilities only. Subsection C applies to both A and B, and subsection C (iii) refers to electric service. Subsection D provides for the Commission to promulgate guidelines for the special rates allowed in Subsection A. Although notice of the proposed Guidelines was provided to all utilities and to the general public, only electric and gas utilities have participated in this proceeding. As mentioned, the Hearing Examiner adopted the suggestion of Washington Gas Light Company and Shenandoah Gas Company that the heading of the Guidelines be changed from "Electric Service" to "Utility Service" to clarify that the Guidelines would apply to all utilities. Given that this proceeding has addressed the proposed Guidelines as they would apply to gas and electric utilities only, we conclude that the Guidelines approved in this docket will be applicable to only gas and electric utilities.[8]

The proposed Guidelines, as modified by the Hearing Examiner, appear to implement effectively the General Assembly's directive that the Commission issue guidelines that "will ensure that other customers are not caused to bear increased rates as a result of such special rates," as required by § 56-235.2 D of the Code of Virginia. Moreover, the Guidelines incorporate the criteria set forth in § 56-235.2 C of the Code of Virginia. We agree with the Hearing Examiner that it is prudent to review § 56-235.2 A applications on a case-by-case basis and gain experience before identifying more specific criteria. We believe that the Guidelines will provide sufficient direction to applicants for an acceptable application under § 56-235.2 A while, at the same time, the standards are not so particularized that they will discourage or preclude innovative special offerings.

With respect to the standard that requires a finding that other customers will not bear increased rates as a result of a special offering, AEP-Virginia and Virginia Power continue to assert that the Commission should not require applicants for special rates to compare rates of return because that requirement would slow down the approval process. They contend that it should be sufficient to show that the special rates would result in any contribution to the system.

We disagree. The Hearing Examiner found that the determination of whether other customers will bear increased rates as a result of a special offering should begin with a determination of whether the revenues from the special rate will exceed the utility's variable costs of providing the service but also include the impact of the special rate on total company revenues and expenses. The Hearing Examiner recommended a wording change to Guideline No. 5 to clarify that the Commission may not always require an examination of the rate of return for the customer class in which the participating customer resides. We agree with the Hearing Examiner that we cannot at this time know all of the possible situations in which special rates may be proposed or the diversity of special offerings that may be devised, and we believe that the public interest is best served by providing the Commission the flexibility to evaluate a proposal using whatever kind of analysis that it determines to be appropriate in a particular case. Therefore, we will adopt her proposed language, slightly modified, to require an applicant to "[d]escribe in detail the estimated effect that service provided under the proposed special rate, contract, or incentive will have on total company revenues, total company expenses, and, *if appropriate*, on the return on *rate base* for the customer class in which the participating customer resides."[9] Our modification to the Hearing Examiner's recommended language should clarify that the Commission will not limit itself to a single means of evaluation but will use whatever analysis is appropriate for the particular proposal.[10]

We also wish to clarify that the statutory standards impose upon us the responsibility to analyze the rate impact of a proposed special rate, contract or incentive on individual customers or on a small group of customers, as well as on the remaining customers as a whole. This requirement is found in § 56-235.2 C (ii) which provides that the Commission must ensure that any special rate, contract or incentive "will not unreasonably prejudice or disadvantage any customer or class of customers." § 56-235.2 C of the Code of Virginia (emphasis added).

Although the Hearing Examiner did not recommend changing the Guidelines to identify more specific criteria, she did recommend an introductory statement to help define the general purpose of special rates, contracts or incentives. We will not add the proposed preamble. First, we do not believe that it is necessary. Second, we are concerned that the language contained therein may be construed as implicitly assuring utilities that any revenues that may be "lost" as the result of a customer no longer taking power from the utility or purchasing electricity pursuant to a special rate under § 56-235.2 A will be automatically recovered from the remaining customers. We emphasize that we do not make any such finding in this order. Utilities historically have borne the risk of losing customers as a result of, for example, a customer's decision to self generate or to relocate to a different state. The Commission does not guarantee that a utility is entitled to recover from the remaining ratepayers any revenue it would have received under a rate or tariff approved by the Commission if one or more customers leave the system.[11]

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[8] The Commission will adopt guidelines for utilities other than gas and electric utilities as needed.

[9] We think "if appropriate" is more descriptive than "if applicable." We have deleted the reference to margins and provided for rate of return on rate base, rather than equity, because historically margins and rate of return on equity have not been calculated by customer class and we believe that rate of return on rate base will provide sufficient information.

[10] Similarly, Virginia Power suggests that the Guidelines should require an applicant to provide information that will enable Staff to determine that the proposed rate is designed to cover incremental costs, plus a margin as a contribution to the recovery of fixed costs. We find that the requirement of such a showing already is implicit in Guideline No. 5 since it requires applicants to detail the estimated effect that the special rate would have on total company revenues and total company expenses.

[11] See, e.g., Application of Virginia Electric and Power Company, Case No. PUE940080, 1995 SCC Ann. Rept. 334, 335 (Approving an experimental program for industrial customers that could result in a loss of revenue of more than six million dollars a year and clarifying that the Commission would make no finding at that time whether any potential losses could be recovered from ratepayers).

With respect to the suggestion that time limits be imposed, we will adopt the Hearing Examiner's recommendation not to establish a timeframe within which § 56-235.2 applications must be acted upon or be deemed approved as filed by operation of law. We agree with the Hearing Examiner that to impose a time limit could conflict with the statutory requirements. For example, such a requirement would, in effect, create a default provision and the statute clearly requires that certain criteria must be met prior to Commission approval. We appreciate the parties' concern that applications under § 56-235.2 A be processed promptly given their time-sensitive nature, and we assure the participants that the Commission will endeavor to expedite its review of applications under Va. Code § 56-235.2 A to the extent possible.

With respect to the confidentiality of sensitive or proprietary material, we find that the Hearing Examiner's recommended treatment is reasonable and supported by the record.

Certain additional issues need to be addressed. AEP-Virginia expresses concern that the preamble will be construed to limit the kinds of applications that may be filed pursuant to § 56-235.2 or to imply that applications other than the kind that would prevent the loss of existing load or attract new load need not meet the criteria of § 56-235.2. In response to this concern, we now clarify that the Guidelines are applicable to special rates, contracts or incentives that may include, but are not limited to, those that are intended to prevent the loss of existing load and/or are intended to keep or attract new load for the purpose of producing rates to other customers lower than they would otherwise be, given the probability of loss of such existing load or the failure to attract new load.

With respect to the minimum usage threshold for analysis, we will not adopt the recommendation that loads of 5 MW or less be automatically exempted from the Guidelines' required rate impact analysis. As discussed, the Hearing Examiner found that there is no evidence in the record to support such an exemption. Moreover, giving a special rate to a small customer or small portion of a utility's load may not have a significant impact on the utility's remaining customers as a whole, but could unreasonably prejudice or disadvantage an individual customer or a small group of customers which, as discussed above, is prohibited by § 56-235.2 C. Thus, the Commission will not establish an automatic exemption from the requirement of analyzing the rate impact of a proposed special rate for a load of any size since the statute requires that we evaluate the proposal's impact on individual customers as well as on the customer classes.

Under the Hearing Examiner's approach, an applicant may apply for an exemption from the requirements of Guideline Nos. 5 and 6 for loads up to 5 MW, and the Commission may grant the exemption if it finds that the proposal will not adversely affect other customers. We will modify Guideline No. 7 to make clear that the showing must also address individual customers and customer classes. Further, we clarify that the 5 MW maximum level pertains to a customer with a load of 5 MW or less or could apply to a group of customers whose aggregate load is not greater than 5 MW; thus, electric utilities are not prohibited from requesting more than one exemption.[12]

Accordingly, IT IS ORDERED THAT:

(1) The findings and recommendations of the January 20, 1998 Hearing Examiner's Report are adopted, with the modifications discussed herein and the Guidelines, in the final form found in the attachment to this Order, are approved and will become effective as of the date of the issuance of this Order.

(2) This matter shall be dismissed and removed from the Commission's docket of active proceedings.

NOTE: A copy of Appendix A entitled "Chapter 310. Guidelines for Filing an Application to Provide Electric and Gas Service under a Special Rate, Contract, or Incentive" is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

[12] Guideline No. 7 by its terms applies only to electric utilities; the gas utilities did not request such a provision.

CASE NO. PUE970764
MAY 14, 1998

APPLICATION OF
HARBOUR EAST SEWAGE DISPOSAL CORPORATION

For a certificate of public convenience and necessity

FINAL ORDER

On September 24, 1997, Harbour East Sewage Disposal Corporation ("Harbour East" or "the Company") filed its application for a certificate of public convenience and necessity. In its application, the Company requests authority to provide sewer service to the Harbour East Village mobile home community located in Chesterfield County, Virginia.

The Company also requests approval of its rates, charges, and rules and regulations of service. The Company proposes a service connection fee of $10.00 for a single family dwelling, and a minimum bi-monthly service charge of $30.00 for sewer service. In addition, Harbour East proposes that the sewer service charge for single family residential users be $2.00 per thousand gallons of water registered. Also, Harbour East proposes a $21.00 bad check charge, a meter test fee of $15.00, a turn-on charge of $25.00, a 1 1/2% per month late payment fee, and a customer deposit equal to a customer's liability for two months' usage.

In an order entered on December 18, 1997, the Commission directed the Company to give notice of its application and to provide the public with an opportunity to comment and request a hearing. The Commission also directed its Staff to file a report detailing its findings and recommendations on or before April 23, 1998.

On March 9, 1998, the Commission's Staff received form letters from approximately 193 of the Company's customers. The customers requested an investigation to determine the reasonableness of the Company's proposed rates. There were no requests for hearing.

Pursuant to the customers' requests and the Commission's order, Staff filed its report on April 23, 1998. On April 27, 1998, Staff filed certain revisions to that report. In its report, Staff recommended that the Commission authorize the Company a bi-monthly minimum charge of $11.40 and an incremental rate of $1.00 per thousand gallons, based on the water usage registered at the Company's meter during the billing period. Staff also recommended that the Company be granted a certificate of public convenience and necessity and approval of all the Company's miscellaneous service charges, the rules and regulations of service and implementation of specific booking recommendations.

Specifically, Staff recommended that the Company establish and maintain a separate accounting system and books; adopt the Uniform System of Accounts for Class C Sewer Companies; prospectively depreciate at 3% all plant in service; book rate case expenses as a regulatory asset amortized over a five year period; and reclassify to plant accounts amounts expensed during 1997.

In a letter dated May 6, 1998, the Company agreed to accept Staff's recommendations as stated in the above referenced report.

NOW THE COMMISSION, having considered the Company's application, Staff's report and the comments thereto, and § 56-265.3 of the Code of Virginia, finds that it is in the public interest to grant Harbour East a certificate of public convenience and necessity. The Commission will approve the Company's rates, as modified by Staff, and the charges and rules and regulations of service. In addition, we will adopt Staff's accounting and booking recommendations. Accordingly,

IT IS ORDERED THAT:

(1) Harbour East Sewage Disposal Corporation be and hereby is granted Certificate No. S-83 to provide sewer service to the Harbour East Village mobile home community in Chesterfield County, Virginia.

(2) Harbour East's rates, as modified by Staff, are hereby approved. Specifically, the Commission authorizes the Company a bi-monthly minimum charge of $11.40 and an incremental rate of $1.00 per thousand gallons, based on the water usage registered at the Company's meter during the billing period.

(3) Harbour East's proposed charges, rules and regulations of service are hereby approved.

(4) On or before June 1, 1998, Harbour East shall file with the Commission's Division of Energy Regulation a revised tariff incorporating the changes in its rules and regulations of service as adopted herein.

(5) The Company shall implement Staff's accounting and booking recommendations as detailed herein.

(6) This case be and hereby is dismissed from the Commission's docket of active cases.

CASE NO. PUE970765
JULY 21, 1998

APPLICATION OF
SOUTHWESTERN VIRGINIA GAS COMPANY

For an expedited increase in rates

FINAL ORDER

On September 24, 1997, Southwestern Virginia Gas Company ("Southwestern" or the "Company") filed an application for an expedited increase in rates for gas service, together with supporting testimony and schedules. The Company's proposed rates are designed to produce additional gross annual operating revenues of $251,427, representing an increase of 2.95% in unadjusted jurisdictional revenues. The Company's proposed rate increase is based on a test period ending June 30, 1997, and on a return of equity of 11.3%. By order dated October 23, 1997, the Commission allowed the proposed rates to go into effect on an interim basis, subject to refund with interest, for bills rendered on and after November 30, 1997. The Commission also established a procedural schedule and assigned the case to a Hearing Examiner.

A public hearing in this proceeding was held on April 8, 1998. Staff filed direct testimony on March 5, 1998, in which it recommended that the Company's requested increase be reduced to $96,233.[1] Part of the differential in Staff's and the Company's proposed revenue requirement was based on Staff's recommendation that the authorized range for return on equity be lowered from 10.80-11.80% to 10.10-11.10%.[2] The Company agreed to Staff's revised recommendation and, on March 16, 1998, filed a request to lower its rates for bills rendered on or after March 31, 1998, to reflect Staff's revised recommended annual increase. The Hearing Examiner granted this request by ruling dated March 17, 1998. Thus, at the time of the hearing, Staff and the Company had agreed on all issues in this case, with the exception of certain aspects of the cost of service study that Staff recommends the Company should be ordered to perform in the Company's next rate case.

[1] The Staff revised its revenue requirement to $99,696, the level of the Company's revised interim rates.

[2] Additionally, the Staff made certain recommendations concerning the apportionment of lower than requested revenue requirements and customer charges.

On May 1, 1998, the Hearing Examiner issued his Report. He found that the agreement between Staff and the Company offers a just and reasonable resolution to all issues concerning the Company's revenue requirement, cost of capital, revenue apportionment and rate design and recommended that the agreement be adopted. More specifically, he found that:

(1) The use of a test year ending June 30, 1997, is proper in this proceeding;

(2) The Company's test year operating revenues, after all adjustments, were $8,363,135;

(3) The Company's test year operating revenue deductions, after all adjustments, were $7,929,990;

(4) The Company's test year net operating income and adjusted net operating income, after all adjustments, were $433,145 and $419,632, respectively;

(5) The Company's current rates produced a return on adjusted rate base of 8.10% and a return on equity of 8.38%;

(6) The Company's current cost of equity is within a range of 10.10%-11.10%, and the Company's rates should be established based on the 10.60% midpoint of the equity range;

(7) The Company's overall cost of capital, using the midpoint of the equity range found reasonable herein and using a capital structure as of June 30, 1997, is 9.335%;

(8) The Company's adjusted test year rate base is $5,181,294;

(9) The Company's application requesting an annual increase in revenues of $251,427 is unjust and unreasonable because it will generate a return on rate base greater than 9.335%;

(10) The Company requires $99,696 in additional gross annual revenues to earn a 9.335% return on rate base;

(11) The Company's proposed revenue allocation methodology, as supplemented by the Staff for lower than requested revenue requirements and for customer charges, is just and reasonable;

(12) The Company's revised interim rates, which became effective for bills rendered on and after March 31, 1998, should be approved as permanent rates;

(13) The Company should be required to refund, with interest, all revenues collected under its initial interim rates in excess of the amount found just and reasonable herein;

(14) In its next general rate case, Southwestern should modify its Rate Schedule B to provide separate service schedules for small general service (or commercial) customers and for firm industrial customers;

(15) In its next general rate case, Southwestern should eliminate non-jurisdictional customers from its class cost of service study; and

(16) In its next general rate case, Southwestern should provide evidence regarding the continued need for Rate Schedule D and the reasonableness of rates charged for air conditioning service.

On May 8, 1998, Southwestern filed a letter stating that it has no formal exceptions to the Hearing Examiner's Report, but expressed its view that the Hearing Examiner's recommendation concerning the Company's cost of service study in its next general rate case would "require a fair amount of effort for what the Company believes will be virtually no value." The Company further stated that even though it regards the recommended studies as inefficient, it would undertake the studies if so directed by the Commission.

NOW THE COMMISSION, upon consideration of the record and the Hearing Examiner's May 1, 1998 Report, the comments of the Company, as well as the applicable rules and statutes, is of the opinion that the findings and recommendations of the Hearing Examiner are reasonable and should be adopted.

As the Hearing Examiner discussed, the only two issues remaining in controversy at the time of the hearing concern certain changes that Staff recommends that the Company be required to incorporate in the cost of service study in its next general rate case. More specifically, the Hearing Examiner agreed with Staff that the Company should: (i) propose separate service schedules for commercial and industrial customers based upon customers' usage characteristics and the type of facilities required to serve them; and (ii) remove non-jurisdictional customers and separate air conditioning customers in future cost of service studies.

We find that the Hearing Examiner's analysis underlying his recommendation that non-jurisdictional customers be separated out in future cost of service studies is reasonable and will adopt that recommendation. The Hearing Examiner noted that the Company now tracks usage data for customers served under Rate Schedule B (under which commercial and industrial customers are served) and that 41 of the 873 customers served under Rate Schedule B, or almost 5 percent, are non-jurisdictional. He further noted that one of these non-jurisdictional customers is among the 19 customers with monthly usage over 5,000 Ccf. We agree with the Hearing Examiner that these facts indicate that the failure to eliminate non-jurisdictional customers could have a material impact on the rates to be derived by separating commercial and industrial customers served under Rate Schedule B into two new and different rate schedules. We also agree with the Hearing Examiner that Staff's breakdown of usage by customers served under Rate Schedule B shows that the preparation of a jurisdictional cost of service study should not be overly burdensome to the Company and that the identification of individual non-jurisdictional customers should facilitate the direct assignment and development of other allocation factors.

The second cost of service study issue concerns the Company's classification of air conditioning service; i.e., currently, the Company provides service to air conditioning customers under a separate rate schedule (Rate Schedule D), but does not show these customers as a separate class in its cost of

service study. The Hearing Examiner observes that under the Company's current rate structure, there is no way to determine the extent to which these customers cover their costs of service and whether these customers are moving toward parity or away from it. Further, he points out that the Company's justification for omitting a separate classification for air conditioning service in its cost of service study (i.e., for the reason that the number of these customers is insignificant when compared to total company customers and sales) suggests that there may not be sufficient justification for having a separate rate schedule for air conditioning service. The Hearing Examiner reasons that, either way, the Company must shoulder the responsibility of providing evidence to support the reasonableness of its customer classifications and rate structures. Therefore, the Hearing Examiner recommends that, rather than require the Company to provide a cost of service study in its next rate case showing air conditioning service as a separate and distinct classification, the Company should be required to provide evidence and support for both the existence and the rates under Rate Schedule D. We find that the Hearing Examiner's analysis is well reasoned, and will adopt his recommendation as a fair and reasonable resolution of this matter.

In conclusion, the Commission finds that the findings and recommendations of the Hearing Examiner, as stated in his May 1, 1998 Report, are reasonable and should be adopted.

Accordingly, IT IS ORDERED:

(1) That Southwestern's request for an expedited rate increase is granted to the extent provided herein.

(2) That, on or before August 7, 1998, the Company shall file revised schedules of rates and charges and revised terms and conditions of service consistent with the findings herein, effective for bills rendered on and after November 30, 1997.

(3) That, on or before November 15, 1998, the Company shall complete the refund, with interest as directed below, of all revenues collected from the application of the interim rates which were effective for bills rendered beginning November 30, 1997, to the extent that such revenues exceeded, on an annual basis, the revenues which would have been collected by application, in lieu thereof, of the permanent rates to be filed in compliance with this order.

(4) That interest upon such refunds shall be computed from the date payment of each monthly bill was due during the interim period until the date refunds are made, at an average prime rate for each calendar quarter. The applicable average prime rate for each calendar quarter shall be the arithmetic mean, to the nearest one-hundredth of one percent, of the prime rate values published in the Federal Reserve Bulletin, or in the Federal Reserve's Selected Interest Rates, for the three months of the preceding calendar quarter.

(5) That the interest required to be paid shall be compounded quarterly.

(6) That the refunds ordered in paragraph (3) above may be accomplished by credit to the appropriate customer's account for current customers (each refund category being shown separately on each customer's bill). Refunds to former customers shall be made by a check to the last known address of such customers when the refund amount is $1.00 or more. Southwestern may offset the credit or refund to the extent no dispute exists regarding the outstanding balances of its past or current customers. To the extent that outstanding balances of such customers are disputed, no offset shall be permitted for the disputed portion. Southwestern may retain refunds owed to former customers when such refund is less than $1.00; however, the Company shall prepare and maintain a list detailing each of the former accounts for which refunds are retained and in the event such former customers request refunds, same shall be made promptly. All unclaimed refunds shall be handled in accordance with Virginia Code § 55-210.6:2.

(7) That, on or before December 15, 1998, Southwestern shall file with the Commission's Division of Energy Regulation a document showing that all refunds have been lawfully made pursuant to this Order and itemizing the costs of the refund and account charged.

(8) That Southwestern shall bear all costs of the refund directed in this Order.

(9) That the Company shall forthwith maintain its records as discussed herein.

(10) That the Company shall provide documentation of adherence to booking changes adopted in this proceeding within 90 days of this Order to be filed with the Director of Public Utility Accounting.

(11) That the Company, in its next general rate case, shall modify its Rate Schedule B to provide separate service schedules for small general service or commercial customers and for firm industrial customers.

(12) That the Company, in its next general rate case, shall provide evidence concerning the continued need for Rate Schedule D and the reasonableness of rates charged for air conditioning service.

(13) That there being nothing further to come before the Commission in this matter, this case shall be removed from the Commission's docket and the papers placed in the file for ended causes.

CASE NO. PUE970812
FEBRUARY 25, 1998

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
COMMONWEALTH GAS SERVICES, INC.,
Defendant

ORDER OF SETTLEMENT

Pursuant to § 56-265.30 of the Code of Virginia, the Virginia State Corporation Commission ("Commission") is charged with enforcing the provisions of the Underground Utility Damage Prevention Act, §§ 56-265.14 et seq. of the Code of Virginia. The Commission's Division of Energy Regulation ("Division"), after having conducted an investigation of this matter, alleges that:

(1) On or about January 8, 1997, Miller and Comer, Inc., damaged a one and one quarter inch plastic gas main line operated by Commonwealth Gas Services, Inc. ("the Company") located at or near Middle Road, Hopewell, Virginia, while excavating;

(2) On or about February 18, 1997, the Town of Altavista, damaged a one half inch plastic gas service line operated by the Company, located at or near Broad Street, Altavista, Virginia, while excavating;

(3) On or about March 6, 1997, Lucus Underground Utilities, damaged a two inch plastic gas main line operated by the Company, located at or near Brunswick Road, Portsmouth, Virginia, while excavating;

(4) On or about March 17, 1997, Maughan Construction, damaged a two inch plastic gas main line operated by the Company, located at or near Hillcreek Drive, Chesterfield, Virginia, while excavating;

(5) On or about March 20, 1997, Lan Co., damaged a two inch plastic gas main line operated by the Company, located at or near Midlothian Turnpike, Chesterfield, Virginia, while excavating;

(6) On or about July 16, 1997, American Trenching Co. Inc., damaged a one half inch plastic gas service line operated by the Company, located at or near Ludgate Drive, Chesapeake, Virginia, while excavating;

(7) On or about August 13, 1997, Southern Construction Co. Inc., damaged a two inch plastic gas main line operated by the Company, located at or near 11th Avenue, Hopewell, Virginia, while excavating; and

(8) The Company caused such damages by failing to mark the approximate horizontal location of the line on the ground to within two feet, in violation of § 56-265.19 A of the Code of Virginia.

As evidenced in the attached Admission and Consent document, the Company neither admits nor denies these allegations, but admits the Commission's jurisdiction and authority to enter this Order. As an offer to settle all matters before the Commission arising from the Division's allegations made herein, the Company represents and undertakes that:

(1) The Company will pay a civil penalty to the Commonwealth of Virginia in the amount of $5,350 to be paid contemporaneously with the entry of this Order. This payment will be made by cashier's check or money order, payable to the Treasurer of Virginia and directed to the attention of the Director of the Division of Energy Regulation.

(2) Any fines paid in accordance with this Order shall not be recovered in the Company's rates as part of the cost of service. Any such fines shall be booked in Uniform System of Account No. 426.3. The Company shall verify its booking by filing a copy of the trial balance showing this entry with the Division of Public Utility Accounting.

The Commission, being advised by the Staff and finding sufficient basis herein for the entry of this Order, hereby accepts this settlement. Accordingly,

IT IS ORDERED THAT:

(1) Pursuant to the authority granted the Commission by § 12.1-15 of the Code of Virginia, the offer of settlement made by the Company be, and it hereby is, accepted.

(2) The sum of $5,350 tendered contemporaneously with the entry of this Order is accepted.

(3) This case is dismissed and the papers herein be placed in the file for ended causes.

CASE NO. PUE970904
FEBRUARY 25, 1998

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

To revise its fuel factor pursuant to Va. Code § 56-249.6

ORDER GRANTING MOTION TO REVISE FUEL FACTOR

On February 23, 1998, Virginia Electric and Power Company ("Virginia Power" or "Company") filed a Motion to revise its fuel factor from $0.01158¢/kWh to $0.01112¢/kWh, effective for usage on and after March 1, 1998.

On January 15, 1998, Virginia Power filed a Motion for Leave to File Supplemental Testimony and Exhibits which reflected a reduction in Virginia Power's proposed fuel factor for the period ending November 30, 1998. The reduction resulted from an amendment to Virginia Power's contract with Cogentrix Virginia Leasing Corporation under which Virginia Power purchases capacity and energy from the Cogentrix-Portsmouth non-utility generation facility. Virginia Power proposed a revised fuel factor of $0.01158¢/kWh to become effective March 1, 1998, on a prospective basis.

Virginia Power has recently completed negotiation of an amendment to its contract with James River Cogeneration Corporation under which Virginia Power purchases capacity and energy from the Cogentrix-Hopewell non-utility generation facility. The contract amendment, which became effective in February 1998, changed the operation of the facility from must-take to dispatchable, resulting in a reduction in energy payments in exchange for increased capacity charges. As a result of the amendment, Virginia Power's estimated Virginia Jurisdictional fuel expenses for the period March 1, 1998 through November 30, 1998 have been reduced by approximately $18 million.

The change in estimated Virginia Jurisdictional fuel expenses resulting from the Cogentrix-Hopewell contract renegotiation yields a total fuel factor of $0.01112¢/kWh. Virginia Power proposes to place this revised interim fuel factor in effect on March 1, 1998, on a prospective basis. Virginia Power is preparing supporting data and calculations and will provide them to the Staff and the parties when they become available.

NOW THE COMMISSION, having considered the matter, is of the opinion that the Company's motion is reasonable and should be granted.

Accordingly, IT IS ORDERED THAT an interim fuel factor of $0.01112¢/kWh be effective for usage on and after March 1, 1998.

CASE NO. PUE970904
APRIL 24, 1998

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

To revise its fuel factor pursuant to § 56-249.6 of the Code of Virginia

ORDER ESTABLISHING 1997-98 FUEL FACTOR

On October 31, 1997, Virginia Electric and Power Company ("Virginia Power" or "the Company") filed an application, testimony and exhibits with the Commission wherein the Company proposed to decrease its zero-based fuel factor from 1.322¢/kWh to 1.237¢/kWh. By Order dated November 14, 1997, the Commission established a schedule for hearing and for the filing of testimonies and provided an opportunity for any interested person to participate in the hearing as a Protestant. The Commission ordered the Company's proposed fuel factor to go into effect for usage on and after December 1, 1997 subject to any undercollection or overcollection of fuel revenues being made prospectively through the correction factor component of the fuel factor.

Notices of protest were received from the Virginia Committee for Fair Utility Rates, the Virginia Independent Power Producers, the Multitrade of Pittsylvania County, the City of Richmond, and Doswell Limited Partnership. The City of Richmond, however, later withdrew its Notice of Protest.

By Order dated December 15, 1997, the procedural schedule was extended. On January 15, 1998, the Company filed a revision to its application to reflect the renegotiated non-utility generator (NUG) contract with Cogentrix-Portsmouth, which resulted in a substantial reduction in forecasted fuel expenses. By Orders dated January 26, January 28, and February 5, 1998, the Commission extended the procedural schedule and ordered the Company's new proposed fuel factor of 1.158¢/kWh to become effective with usage on and after March 1, 1998.

Prior to March 1, 1998, Virginia Power successfully renegotiated another Cogentrix NUG contract. This renegotiated contract for the Hopewell facility resulted in an additional reduction to forecasted fuel expenses. In response to the Company's motion for a further revision to the fuel factor, the Commission ordered on February 25, 1998 that a fuel factor of 1.112¢/kWh become effective with usage on and after March 1, 1998.

On April 3, 1998, Staff filed testimony wherein it recommended that the currently operative interim fuel factor of 1.112¢/kWh be replaced with a fuel factor of 1.050¢/kWh effective with usage on and after May 1, 1998. The Company accepted Staff's proposed reduction, and the Staff and Company stipulated all issues in this matter. Each Protestant was contacted and none disagreed with the proposed stipulation.

The hearing was held on April 16, 1998. The Company tendered its proof of service at the commencement of the hearing.

Upon consideration of the record in this case, the Commission is of the opinion that Staff's proposed fuel factor of 1.050¢/kWh is appropriate based on projected fuel expenses. Approval of this factor, however, is not construed as approval of the Company's actual fuel expenses. For each calendar year, the Commission's Staff conducts an audit and investigation which addresses, among other things, the appropriateness and reasonableness of the Company's booked fuel expenses. Staff's results are documented in an Annual Report ("Staff's Annual Report"). A copy of Staff's Annual Report is sent to

the Company and to each party who participated in the Company's last fuel factor proceeding, all of whom are provided with an opportunity to comment and request a hearing on the report.

Based on Staff's Annual Report, and any comments or hearing thereon, the Commission enters an Order entitled "Final Audit for Twelve-Month Period Ending December 31, 19__, Fuel Cost-Recovery Position," hereinafter referred to as "Final Audit Order." Notwithstanding any findings made by the Commission in an earlier order establishing the Company's fuel factor based on estimates of future expenses and unaudited booked expenses, the Final Audit Order will be the final determination of not only what are in fact allowable fuel expenses and credits, but also the Company's over or underrecovery position as of the end of the audit period. Should the Commission find in its Final Audit Order (1) that any component of the Company's actual fuel expenses or credits has been inappropriately included or excluded, or (2) that the Company has failed to make every reasonable effort to minimize fuel costs or has made decisions resulting in unreasonable fuel costs, the Company's recovery position will be adjusted. This adjustment will be reflected in the recovery position at the time of the Company's next fuel factor proceeding. We reiterate that no finding in this order is final, as this matter is continued generally, pending Staff's audit of actual fuel expenses. Accordingly,

IT IS ORDERED THAT:

(1) A total fuel factor of 1.050¢/kWh be, and hereby is, approved and effective for usage on and after May 1, 1998.

(2) Additionally, the Company should, in order to capture the dispatch effects of energy sales on system operation and performance as discussed in Staff witness Stavrou's testimony in A8 and A9, pages 5-9, work with Staff to develop an appropriate means to include such forecast in the Company's simulation models.

(3) This case shall be continued generally.

CASE NO. PUE970906
JANUARY 29, 1998

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
BYERS ENGINEERING COMPANY,
Defendant

ORDER OF SETTLEMENT

Pursuant to § 56-265.30 of the Code of Virginia, the Virginia State Corporation Commission ("Commission") is charged with enforcing the provisions of the Underground Utility Damage Prevention Act, §§ 56-265.14 et seq. of the Code of Virginia. The Commission's Division of Energy Regulation ("Division"), after having conducted an investigation of this matter, alleges that:

(1) On or about February 3, 1997, UTILX Corporation damaged a fifty pair telephone main line operated by Bell Atlantic-Virginia, Inc. located at or near 14502 Golden Oak Road, Centreville, Virginia, while excavating;

(2) On or about July 7, 1997, D & F Construction, Inc. damaged a one-half inch copper gas service line operated by Washington Gas Light Company located at or near 2518 Swift Run Street, Vienna, Virginia, while excavating;

(3) On or about July 15, 1997, William B. Hopke Co., Inc. damaged a two inch steel gas main line operated by Washington Gas Light Company located at or near 6253 Cottonwood Street, McLean, Virginia, while excavating;

(4) On or about July 16, 1997, McDonnell Contracting damaged a two inch plastic gas main line operated by Washington Gas Light Company located at or near 1498 Ranger Loop, Woodbridge, Virginia, while excavating;

(5) On or about July 16, 1997, K & K Contractors damaged a one inch plastic gas service line operated by Washington Gas Light Company located at or near 3128 Nestlewood Drive, Herndon, Virginia, while excavating;

(6) On or about July 15, 1997, J. G. Miller, Inc. damaged a one inch steel gas service line operated by Washington Gas Light Company located at or near 8500 Arlington Boulevard, Merrifield, Virginia, while excavating;

(7) On or about July 22, 1997, Atlas Plumbing & Mechanical, Inc. damaged a three-quarter inch plastic gas service line operated by Washington Gas Light Company located at or near 20890 Gardengate Circle, Ashburn, Virginia, while excavating;

(8) On or about July 30, 1997, A.M.E. damaged a three-quarter inch steel gas service line operated by Washington Gas Light Company located at or near 1413 Ross Street, S.W., Vienna, Virginia, while excavating;

(9) On or about July 30, 1997, NOVEC damaged a three-quarter inch plastic gas service line operated by Washington Gas Light Company located at or near 43094 Center Street, South Riding, Virginia, while excavating;

(10) On or about August 11, 1997, UTILX Corporation damaged a four inch plastic gas main line operated by Washington Gas Light Company located at or near 6885 Commercial Drive, Sterling, Virginia, while excavating;

(11) On or about August 5, 1997, S & N Communications, Inc. damaged a two inch plastic gas main line operated by Washington Gas Light Company located at or near 4054 Cressida Place, Woodbridge, Virginia, while excavating;

(12) On or about August 8, 1997, Kesterson Plumbing & Heating, Inc. damaged a three-quarter inch plastic gas service line operated by Washington Gas Light Company located at or near 210 West Windsor Avenue, Alexandria, Virginia, while excavating;

(13) On or about August 15, 1997, Thompson Cable Service damaged a three-quarter inch plastic gas service line operated by Washington Gas Light Company located at or near 7310 Mallory Circle, Alexandria, Virginia, while excavating;

(14) On or about August 13, 1997, Arlington County damaged a two inch steel gas main line operated by Washington Gas Light Company located at or near 9th Street and North Danville Street, Arlington, Virginia, while excavating;

(15) On or about August 21, 1997, National Cable Construction, Inc. damaged a one inch plastic gas service line operated by Washington Gas Light Company located at or near 2830 Cedar Lane, Vienna, Virginia, while excavating;

(16) On or about August 25, 1997, R. B. Hinkle Construction, Inc. damaged a one-half inch plastic gas service line operated by Washington Gas Light Company located at or near 7726 Falstaff Road, McLean, Virginia, while excavating;

(17) On or about August 27, 1997, Washington Home Improvements damaged a one-half inch plastic gas service line operated by Washington Gas Light Company located at or near 2119 Culpeper Drive, Woodbridge, Virginia, while excavating;

(18) On or about August 29, 1997, D. A. Foster Co. damaged a three-quarter inch steel gas service line operated by Washington Gas Light Company located at or near Glade Drive and Pinecrest Road, Reston, Virginia, while excavating;

(19) On or about September 9, 1997, Masters, Inc. damaged a three-quarter inch plastic gas service line operated by Washington Gas Light Company located at or near 604 Stribling Court, Leesburg, Virginia, while excavating;

(20) On or about September 12, 1997, Virginia Electric and Power Company damaged a three-quarter inch plastic gas service line operated by Washington Gas Light Company located at or near 10125 Community Lane, Fairfax, Virginia, while excavating; and

(21) Byers Engineering Company ("the Company") caused such damages by failing to mark the approximate horizontal location of the lines on the ground to within two feet of either side of the underground utility line, in violation of § 56-265.19 A of the Code of Virginia.

As evidenced in the attached Admission and Consent document, the Company neither admits nor denies these allegations, but admits the Commission's jurisdiction and authority to enter this Order. As an offer to settle all matters before the Commission arising from the Division's allegations made herein, the Company represents and undertakes that it will pay a civil penalty to the Commonwealth of Virginia in the amount of $13,900 to be paid contemporaneously with the entry of this Order. This payment will be made by cashier's check or money order, payable to the Treasurer of Virginia and directed to the attention of the Director of the Division of Energy Regulation.

The Commission, being advised by the Staff and finding sufficient basis herein for the entry of this Order, hereby accepts this settlement. Accordingly,

IT IS ORDERED THAT:

(1) Pursuant to the authority granted the Commission by § 12.1-15 of the Code of Virginia, the offer of settlement made by the Company be, and it hereby is, accepted.

(2) The sum of $13,900 tendered contemporaneously with the entry of this Order is accepted.

(3) This case is dismissed and the papers herein be placed in the file for ended causes.

CASE NO. PUE970907
JANUARY 5, 1998

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
WASHINGTON GAS LIGHT COMPANY,
Defendant

ORDER OF SETTLEMENT

Pursuant to § 56-265.30 of the Code of Virginia, the Virginia State Corporation Commission ("Commission") is charged with enforcing the provisions of the Underground Utility Damage Prevention Act, §§ 56-265.14 et seq. of the Code of Virginia. The Commission's Division of Energy Regulation ("Division"), after having conducted an investigation of this matter, alleges that:

(1) On or about July 9, 1997, Leo Construction Company damaged a three-quarter inch plastic gas service line operated by Washington Gas Light Company located at or near Lot 8, School House Court, Ashburn, Virginia, while excavating;

(2) On or about July 14, 1997, The Strong Companies, Inc. damaged a one-quarter inch plastic gas service line operated by Washington Gas Light Company located at or near 8721 Parry Lane, Alexandria, Virginia, while excavating;

(3) On or about July 19, 1997, B. Frank Joy Company, Inc. damaged a one inch plastic gas service line operated by Washington Gas Light Company located at or near 1700 South Sterling Boulevard, Sterling, Virginia, while excavating;

(4) On or about July 25, 1997, Atlas Plumbing & Mechanical, Inc. damaged a three-quarter inch plastic gas service line operated by Washington Gas Light Company located at or near 1333 Murry Downs Way, Fairfax, Virginia, while excavating;

(5) On or about August 8, 1997, Granja Contracting, Inc. damaged a three-quarter inch plastic gas service line operated by Washington Gas Light Company located at or near 3917 North 5th Street, Arlington, Virginia, while excavating;

(6) On or about August 14, 1997, Hubbard Telephone Contractors, Inc. damaged a one-quarter inch plastic gas service line operated by Washington Gas Light Company located at or near 4508 Hanover Court, Dale City, Virginia, while excavating;

(7) On or about August 14, 1997, Casper Colosimo & Son, Inc. damaged a one-half inch plastic gas service line operated by Washington Gas Light Company located at or near 8802 Edward Gibbs Place, Fairfax, Virginia, while excavating;

(8) On or about August 5, 1997, Fairfax County Water Authority damaged a three-quarter inch plastic gas service line operated by Washington Gas Light Company located at or near Lot 8, Holly Leaf Court, Great Falls, Virginia, while excavating;

(9) On or about August 19, 1997, Brandon Construction Corporation damaged a one and one-quarter inch plastic gas service line operated by Washington Gas Light Company located at or near 5702 Fern Hill Road, McLean, Virginia, while excavating;

(10) On or about August 21, 1997, Casper Colosimo & Son, Inc. damaged a one-half inch plastic gas service line operated by Washington Gas Light Company located at or near 12010 Trotter Lane, Reston, Virginia, while excavating;

(11) On or about August 29, 1997, GTE damaged a one-quarter inch plastic gas service line operated by Washington Gas Light Company located at or near 4502 Edinburg Drive, Woodbridge, Virginia, while excavating; and

(12) Washington Gas Light Company ("the Company") caused such damages by failing to mark the approximate horizontal location of the lines on the ground to within two feet of either side of the underground utility line, in violation of § 56-265.19 A of the Code of Virginia.

As evidenced in the attached Admission and Consent document, the Company neither admits nor denies these allegations, but admits the Commission's jurisdiction and authority to enter this Order. As an offer to settle all matters before the Commission arising from the Division's allegations made herein, the Company represents and undertakes that:

(1) The Company will pay a civil penalty to the Commonwealth of Virginia in the amount of $7,450 to be paid contemporaneously with the entry of this Order. This payment will be made by cashier's check or money order, payable to the Treasurer of Virginia and directed to the attention of the Director of the Division of Energy Regulation.

(2) Any fines paid in accordance with this Order shall not be recovered in the Company's rates as part of the cost of service. Any such fines shall be booked in Uniform System of Account No. 426.3. The Company shall verify its booking by filing a copy of the trial balance showing this entry with the Division of Public Utility Accounting.

The Commission, being advised by the Staff and finding sufficient basis herein for the entry of this Order, hereby accepts this settlement. Accordingly,

IT IS ORDERED THAT:

(1) Pursuant to the authority granted the Commission by § 12.1-15 of the Code of Virginia, the offer of settlement made by the Company be, and it hereby is, accepted.

(2) The sum of $7,450 tendered contemporaneously with the entry of this Order is accepted.

(3) This case is dismissed and the papers herein be placed in the file for ended causes.

CASE NO. PUE970963
FEBRUARY 18, 1998

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
VIRGINIA ELECTRIC AND POWER COMPANY,
Defendant

ORDER OF SETTLEMENT

Pursuant to § 56-265.30 of the Code of Virginia, the Virginia State Corporation Commission ("Commission") is charged with enforcing the provisions of the Underground Utility Damage Prevention Act, §§ 56-265.14 et seq. of the Code of Virginia. The Commission's Division of Energy Regulation ("Division"), after having conducted an investigation of this matter, alleges that:

(1) On or about April 14, 1997, Virginia Electric and Power Company ("the Company") damaged a one-half inch plastic gas service line operated by Virginia Natural Gas, Inc. located at or near 508 Whisper Walk, Chesapeake, Virginia, while excavating;

(2) On or about July 17, 1997, the Company damaged a three-quarter inch plastic gas service line operated by Washington Gas Light Company located at or near 6655 Patent Parish Lane, Fairfax, Virginia, while excavating;

(3) On or about August 19, 1997, the Company damaged a three-quarter inch plastic gas service line operated by Washington Gas Light Company located at or near Lot 238, Quade Lane, Dale City, Virginia, while excavating;

(4) On or about September 12, 1997, the Company damaged a three-quarter inch plastic gas service line operated by Washington Gas Light Company located at or near Lot 27, Teasel Court, Woodbridge, Virginia, while excavating;

(5) On or about October 8, 1997, the Company damaged a three-quarter inch plastic gas service line operated by Washington Gas Light Company located at or near 3485 Christy Lane, Woodbridge, Virginia, while excavating;

(6) The Company caused such damages by failing to take all reasonable steps to protect the underground utility lines, in violation of § 56-265.24 A of the Code of Virginia;

(7) On or about January 10, 1997, the Company damaged a four inch plastic gas main line operated by Washington Gas Light Company located at or near 6468 Lake Meadow Drive, Fairfax, Virginia, while excavating;

(8) On or about June 30, 1997, the Company damaged a three-quarter inch plastic gas service line operated by Washington Gas Light Company located at or near 43892 Logan Wood Court, Leesburg, Virginia, while excavating;

(9) The Company caused such damages by failing to request the re-marking of lines, in violation of § 56-265.17 C of the Code of Virginia;

(10) On or about March 20, 1997, the Company damaged a one-half inch plastic gas service line operated by Commonwealth Gas Services, Inc. located at or near 10 Keswick Court, Portsmouth, Virginia, while excavating; and

(11) The Company caused such damage by failing to notify the notification center for the area, in violation of § 56-265.17 A of the Code of Virginia.

As evidenced in the attached Admission and Consent document, the Company neither admits nor denies these allegations, but admits the Commission's jurisdiction and authority to enter this Order. As an offer to settle all matters before the Commission arising from the Division's allegations made herein, the Company represents and undertakes that:

(1) The Company will pay a civil penalty to the Commonwealth of Virginia in the amount of $5,450 to be paid contemporaneously with the entry of this Order. This payment will be made by cashier's check or money order, payable to the Treasurer of Virginia and directed to the attention of the Director of the Division of Energy Regulation.

(2) Any fines paid in accordance with this Order shall not be recovered in the Company's rates as part of the cost of service. Any such fines shall be booked in Uniform System of Account No. 426.3. The Company shall verify its booking by filing a copy of the trial balance showing this entry with the Division of Public Utility Accounting.

The Commission, being advised by the Staff and finding sufficient basis herein for the entry of this Order, hereby accepts this settlement. Accordingly,

IT IS ORDERED THAT:

(1) Pursuant to the authority granted the Commission by § 12.1-15 of the Code of Virginia, the offer of settlement made by the Company be, and it hereby is, accepted.

(2) The sum of $5,450 tendered contemporaneously with the entry of this Order is accepted.

(3) This case is dismissed and the papers herein be placed in the file for ended causes.

CASE NO. PUE971024
JUNE 18, 1998

APPLICATION OF
WASHINGTON GAS LIGHT COMPANY

For approval of a Pilot Delivery Service Program

FINAL ORDER

On December 22, 1997, Washington Gas Light Company ("WGL" or the "Company") filed an application requesting approval of an experimental firm delivery service program. The Company proposed to offer firm delivery service on a limited-term, pilot basis, under Rate Schedule Nos. 1A, 2A, 3A and 9, to residential, commercial and industrial, and group metered apartment customers who would otherwise purchase gas for the

Company on a firm basis under Rate Schedules Nos. 1, 2, and 3, respectively. Rate Schedule 9, the Firm Delivery Service Pilot Program Gas Supplier Agreement, is a new schedule that sets forth the general terms and conditions under which suppliers can provide gas to participating customers.

The proposed pilot program is a two-year program. In the first year of the program, up to ten percent (10%) of the customers eligible for the service under Rate Schedule Nos. 1A, 2A, 3A and 9 would be permitted to participate. The level of participants would be increased to twenty percent (20%) during the second year of the program. In the first year of the program, gas suppliers would select annual balancing, while in the second year of the program, monthly balancing would be offered as an option. Enrollment in the pilot program will be on a rolling basis where annual balancing is selected. Rolling enrollment thus may require the program to extend for up to three years if participants enroll at the end of the second year.

Customers who participate in the program would purchase their gas commodity requirements from third party gas suppliers who elect to participate in the pilot program, while obtaining firm delivery from WGL. Gas suppliers would be pre-approved by the Company based on meeting creditworthiness standards and would qualify to participate by aggregating at least 100 Dekatherms of Average Daily Contract Quantity of sales to customers participating in the program.

WGL proposes to use the pilot program to gather information regarding customer awareness, customer education efforts and customer satisfaction with the Program. The Company also proposes to use the Program to obtain information to measure the performance of marketers participating in the pilot program, including market share, customer retention and satisfaction, reliability and complaint resolution.

By Commission order dated February 12, 1998, and ruling dated May 8, 1998, the application was set for hearing on May 18th and June 8th, 1998. On May 18th, the statement of one intervenor was received. That intervenor, Washington Gas Energy Service ("WGES"), an affiliate of WGL, supported the program as proposed.

The Commission also received written comments from the Apartment and Office Building Association of Metropolitan Washington supporting the application.

On June 8, 1998, the prefiled testimony of WGL witnesses James Wagner and Joseph Schepis was received into the record. The prefiled testimony of Staff witness Rosemary Henderson was also received into the record.

The Company and Staff submitted a Joint Offer of Stipulation ("Stipulation") wherein they presented their recommendations for disposition of this case. That Stipulation was marked as Company Exhibit No. 5 and also admitted into the record. Therein, the Company and Staff state that the record is sufficient and adequate to support the fairness, justness, reasonableness and lawfulness of the program, with specific modifications from the original application which generally impose several limitations on the participation of WGES in the program.

At the June 8, 1998 hearing, Chief Hearing Examiner Deborah V. Ellenberg issued her report from the bench. In that report, the Examiner found that the Stipulation was supported by the record and should be adopted. She specifically found, consistent with the Stipulation, that:

1. The two-year experimental program, as proposed in the application of WGL, and as modified by the Stipulation, will provide opportunities for customer education about new programs and provide the Company and Staff an opportunity to gather information about customer choice programs and affiliate interactions in customer choice programs, and therefore, it should be approved to begin on or about October 1, 1998;

2. In order to provide Staff with information to assist it in determining the impact of participation by an affiliated supplier on delivery service programs, WGES will not accept applications from residential customers of WGL for participation in the pilot program until WGL has received applications from thirty-three (33%) percent of the eligible residential customer population, which is approximately 10,000, who have been subscribed by other qualified marketers, or ninety (90) days from the beginning of the enrollment period of the pilot program, whichever is sooner.

   For the second year of the pilot program, WGES shall be permitted to participate fully in all aspects of the pilot program with respect to residential customers of WGL. WGES shall be permitted to participate fully in all aspects of the pilot program in both the first and second years of the pilot program with respect to firm service commercial, industrial and group metered apartment customers of WGL.

   The limitation imposed on WGES with respect to its participation in the first year of the residential pilot program does not reflect an anticipation by Staff or the Commission that WGES will engage in wrongdoing, but is simply in support of the desire to gather information through experimentation.

3. Rather than formally including a "Form of Agreement" section in the Company's tariff, the Company shall notify and provide copies to Staff in the future of any and all changes to those documents.

4. Any issues with respect to market studies and tracking costs which may have been raised in this case should be decided in Case No. PUA980005.

The Examiner recommended that the Commission enter and order that adopts the findings in her report; approves the application, as modified by the Stipulation; and dismisses this case from the docket or pending proceedings.

NOW THE COMMISSION, having considered the Examiner's Report, the record, and applicable law, is of the opinion that the Examiner's findings and recommendations are reasonable and should be accepted. It is in the public interest for WGL to initiate the pilot program as proposed in its application, and modified by the Stipulation, in order to gather data. Although the Program is approved, we make no findings concerning the reasonableness or recovery of its associated costs. Recovery of these costs is more properly the subject of a subsequent proceeding in which the Company may offer evidence identifying and supporting the expenditures associated with its program. Accordingly,

IT IS ORDERED THAT:

(1) The Examiner's findings and recommendations, as detailed in her June 8, 1998 Report are hereby adopted.

(2) WGL'S application, as modified by the Stipulation, is hereby approved.

(3) This matter shall be dismissed from the Commission's docket of active cases and the papers placed in the file for ended causes.

CASE NO. PUE980048
JUNE 1, 1998

APPLICATION OF
NORTHERN VIRGINIA UTILITY PROTECTION SERVICE INCORPORATED

For Certification as Notification Center for Northern Virginia pursuant to § 56-265.16:1 of the Code of Virginia

FINAL ORDER

On January 12, 1998, Northern Virginia Utility Protection Service, Incorporated, ("NVUPS" or "Applicant") filed an application pursuant to § 56-265.16:1 of the Code of Virginia. In that application NVUPS requests authority to be certified as the notification center for operators having the right to bury underground utility lines in Northern Virginia.[1] NVUPS notes that the application is supported by the operators of the underground facilities responsible for more than half of the ticket volume applicable to that area as required by Rule 8 of the Commission's Rules Governing Certification of Notification Centers. The Applicant notes that One Call Concepts, Inc. ("OCC"), is currently certificated as the notification center for that area but is willing to transfer that certificate to NVUPS pursuant to certain contractual arrangements with the Applicant.

In an order entered on February 9, 1998, the Commission directed NVUPS to give notice of its application and to provide the public with an opportunity to file written comments and requests for hearing. The Commission also directed its Staff to conduct an investigation into the reasonableness of the application and to present its findings and recommendations in a report to be filed on or before April 15, 1998.

Pursuant to that order, Byers Engineering Company ("Byers"), a firm that conducts underground utility location service in the Northern Virginia area, filed written comments on the application. In its comments Byers noted that OCC, either directly or through an affiliate, also performs underground utility location service in Virginia. Byers further noted that there was a potential for OCC to have a competitive advantage in pursuing locating contracts because of its access to certain data and information obtained in response to fulfilling the obligations set forth in the Underground Utility Damage Prevention Act. Byers specifically noted concerns regarding the potential for OCC to control and prioritize the distribution of locate requests to benefit its locating business; to control or influence the responses to the Ticket Information Exchange System to use knowledge of competitors' performance data to pursue locate contracts; and to influence the performance of competing locating companies by expediting its own locate requests and delaying those of competitors. Byers requested that the Commission establish enforceable procedures to eliminate the potential for such a competitive advantage.

Pursuant to Staff's request, both NVUPS and OCC filed responses addressing Byers' concerns. In its response OCC noted a number of safeguards that would address the above referenced concerns.

On April 15, 1998, Staff filed its report. In its report Staff recommended that the Commission issue a certificate to NVUPS effective July 1, 1998; that the Commission revoke the certificate currently authorizing OCC to serve as the notification center for that area (Certificate No. NC-2) effective that same day; and that the Commission include in its order certain language that would prohibit the Applicant or its contractor from using any information obtained in the course of performing its statutory duties to give any party a material advantage in procuring or performing individual contracts for underground utility location services.

NOW THE COMMISSION, having considered the application, the comments and responses hereto, Staff's Report, and applicable law, is of the opinion that NVUPS should be granted a certificate to serve as the notification center for Northern Virginia. We will issue such certificate and cancel the certificate currently issued to OCC effective July 1, 1998. We note the concerns raised in written comments filed by Byers and the responses thereto. We also note Byers' request for the establishment of certain enforceable procedures.

We will not establish such procedures at this time. We will, however, put the Applicant on notice that we do not expect NVUPS and/or the operator of the notification center to use any information obtained in performing its statutory duties to give any party an advantage in procuring or performing individual contracts for underground utility location services. Accordingly,

IT IS ORDERED THAT:

(1) Effective July 1, 1998, Certificate No. NC-2 issued to One Call Concepts, Inc., shall be cancelled.

(2) Effective July 1, 1998, Certificate No. NC-3 shall be issued to Northern Virginia Utility Protection Service, Incorporated, authorizing it to serve as the notification center for the area known as Northern Virginia as detailed herein.

(3) There being nothing further to be done, this matter be, and hereby is, dismissed.

[1] Northern Virginia is generally described as all of Virginia north of the southernmost boundaries of the counties of Shenandoah, Warren, Fauquier, Stafford, and Northhampton.

CASE NO. PUE980049
FEBRUARY 26, 1998

APPLICATION OF
THE POTOMAC EDISON COMPANY

To revise its fuel factor

ORDER ESTABLISHING 1998-99 FUEL FACTOR

On January 16, 1998, The Potomac Edison Company ("Potomac Edison" or "the Company") d/b/a Allegheny Power filed with the Commission an application, together with written testimony, exhibits, and proposed tariffs supporting its request that the currently operative fuel factor be increased from 1.181¢ per kWh to 1.278¢ per kWh effective with March 1998 cycle bills rendered on and after March 9, 1998.

By Order dated January 23, 1998, the Commission established a procedural schedule and set a hearing date. In that Order, the Commission directed its Staff to file testimony and provided an opportunity for any interested person to participate in the hearing as a Protestant. No notice of protest or protest was received in this proceeding. On February 17, 1998, Staff filed its testimony wherein it recommended that Potomac Edison's proposed estimates of energy sales and fuel prices used in the development of the proposed fuel factor be accepted as reasonable. Staff also recommended a total fuel factor of 1.278¢ per kWh to become effective with March 1998 cycle bills rendered on and after March 9, 1998.

The hearing was held on February 25, 1998. The Company tendered its proof of service at the commencement of the hearing.

Upon consideration of the record in this case, the Commission is of the opinion that the proposed total fuel factor of 1.278¢ per kWh is appropriate based in part on projected fuel expenses. Approval of this factor, however, is not construed as approval of the Company's actual fuel expenses. For each calendar year, the Commission's Staff conducts an audit and investigation which addresses, among other things, the appropriateness and reasonableness of the Company's booked fuel expenses. Staff's results are documented in an Annual Report ("Staff's Annual Report"). A copy of Staff's Annual Report is sent to the Company and to each party who participated in the Company's last fuel factor proceeding, all of whom are provided with an opportunity to comment and request a hearing on the report.

Based on Staff's Annual Report, and any comments or hearing thereon, the Commission enters an Order entitled "Final Audit for twelve-month period ending December 31, 19__, Fuel Cost-Recovery Position," hereinafter referred to as "Final Audit Order." Notwithstanding any findings made by the Commission in an earlier order establishing the Company's fuel factor based on estimates of future expenses and unaudited booked expenses, the Final Audit Order will be the final determination of not only what are in fact allowable fuel expenses and credits, but also the Company's over or underrecovery position as of the end of the audit period. Should the Commission find in its Final Audit Order (1) that any component of the Company's actual fuel expenses or credits has been inappropriately included or excluded, or (2) that the Company has failed to make every reasonable effort to minimize fuel costs or has made decisions resulting in unreasonable fuel cost, the Company's recovery position will be adjusted. This adjustment will be reflected in the recovery position at the time of the Company's next fuel factor proceeding. We reiterate that no finding in this order is final, as this matter is continued generally, pending Staff's audit of actual fuel expenses. Accordingly,

IT IS ORDERED THAT:

(1) A total fuel factor of 1.278¢ per kWh be, and hereby is, approved and effective with Potomac Edison's March 1998 cycle bills rendered on and after March 9, 1998.

(2) This case shall be continued generally.

CASE NO. PUE980050
JULY 21, 1998

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
JOHN S. LEWANDOWKSI,
Complainant
v.
ALLEGHENY POWER,
Defendant

FINAL ORDER

On January 5, 1998, the Commission's Division of Energy Regulation received a request for a formal hearing from John S. Lewandowski ("Complainant"). The Complainant requested a hearing regarding the final bill he received from Allegheny Power (the "Company") for his former residence at 535 Gray Avenue, Winchester, Virginia, in the amount of $238.92 for electricity consumed for a 40 day period from November 6, 1996, through December 16, 1996 ("final bill"). At the Complainant's request, the Commission's Staff had already conducted an informal investigation and determined that the final bill was correctly calculated in accordance with the Company's filed tariff. The Complainant was dissatisfied with the Staff's conclusion and subsequently requested the formal hearing discussed herein.

The hearing was held on March 31, 1998, and the Hearing Examiner issued his Report on May 8, 1998. The Hearing Examiner stated that although the Complainant had not put forth any direct evidence suggesting a basis for an incorrect bill, such as a billing error or a malfunctioning of his electric meter, the Company and Staff had, in response to the Complainant's allegations, established that the final bill was correctly calculated and that it was

extremely unlikely that the Complainant's electric meter had malfunctioned. Thus, the Hearing Examiner recommended that the Commission enter an order recommending that the complaint against Allegheny Power be dismissed but that certain steps be taken to assist Mr. Lewandowski.

On May 13, 1998, the Complainant filed comments on the Hearing Examiner's Report. Mr. Lewandowski's objections appear to address the way the Company records and responds to complaints from its customers generally and the way that the Company has, in particular, responded to his complaints and to his interrogatory requesting the production of certain documentation in this proceeding. In addition, Mr. Lewandowski states that although the two Commission witnesses in this proceeding stated that, in their opinion, there was no apparent evidence of tampering with Mr. Lewandowski's meter, neither stated conclusively that tampering could not have occurred.

NOW THE COMMISSION, upon consideration of the record and the Examiner's May 8, 1998 Hearing Report, the comments thereto, and the applicable statutes and rules, is of the opinion and finds that the findings and recommendations of the Hearing Examiner are reasonable and should be adopted.

As stated, Mr. Lewandowski objects to the Company's handling of customer complaints, although the exact nature of his objections is not clear from his comments. We cannot conclude, however, based on our review of the record, that Allegheny Power did not appropriately and timely respond to Mr. Lewandowski's complaints or, if that were the case, that such delay affected the real issue in this case, which is whether Mr. Lewandowski's final bill was incorrect. Mr. Lewandowski has presented no evidence to provide a basis upon which we could reasonably conclude that his electric bill for the 40 day period from November 6, 1996, through December 16, 1996, is incorrect. Accordingly,

IT IS ORDERED THAT:

(1) The findings and recommendations of the Hearing Examiner's May 8, 1998 Report are adopted and Mr. Lewandowski's complaint against Allegheny Power is hereby dismissed.

(2) The Division of Energy Regulation is directed to aid Mr. Lewandowski in contacting the local "Energy Share" program to obtain assistance with his utility bills.

(3) Allegheny Power is directed to offer Mr. Lewandowski the opportunity to be placed on an equal monthly payment plan for future purchases of electricity and the opportunity to pay off his balance from 535 Gray Avenue over a six month period from the date of the issuance of this Order.

CASE NO. PUE980055
NOVEMBER 4, 1998

APPLICATION OF
THE POTOMAC EDISON COMPANY

To revise its cogeneration tariff pursuant to PURPA § 210

ORDER ESTABLISHING COGENERATION TARIFF

On January 16, 1998, the Potomac Edison Company ("Potomac Edison" or "the Company") d/b/a Allegheny Power filed an application, written testimony and exhibits in support of its request to revise the Company's Schedule CO-G, establishing payments for power purchased from cogenerators and small power producers with a design capacity of 100 kW or less. The Company proposed to eliminate capacity payments and to revise monthly customer connection charges. Potomac Edison did not propose to change the energy rates or the established fuel mixes filed with the Commission in December of 1997. There are no qualifying facilities in the Virginia jurisdiction to which this schedule would apply.

Specifically, Potomac Edison proposed its 1998 on-peak energy rates to remain at $.01657 per kWh; its off-peak energy rate to remain at $.01535 per kWh; and its average energy rates applicable to non-time differentiated energy purchases to remain at $.01600 per kWh. The Company also proposed to eliminate capacity payments and revise the monthly customer connection charges in its Schedule CO-G. The Company proposed to eliminate the payment for capacity because, in its opinion, there are no real avoidable capacity costs since service to qualifying facilities is limited to 100 kW or less.

The Commission issued an order establishing this proceeding on February 5, 1998. Therein, the Commission docketed the application, scheduled a public hearing for July 23, 1998, and established a procedural schedule for the case.

In its testimony filed on June 25, 1998, Staff concluded that the Company's forecasts of energy demand, sales, fuel prices, and avoided energy costs were reasonable. Staff also accepted Potomac Edison's energy mixes as reasonable; however, Staff added that future interim updates should reflect the energy price changes resulting from market price fluctuations. Further, Staff recommended that avoided energy mixes for five years should be included with each cogeneration filing if the planning horizon is shortened to five years. Staff also recommended use of a five-year planning horizon for consideration of avoided costs in the instant case; the provision of a supplemental capacity payment of 5 mills per kWh for firm capacity contracts in each of years 2001 and 2002 subject to the restrictions specified in Schedule CO-G; and approval of Potomac Edison's proposed connection charges. Staff also recommended that the Commission direct the Company to advise Staff in advance should Allegheny Power decide to enter into a purchase power contract exceeding five years or to build generation to allow Staff to evaluate the appropriateness of Schedule CO-G in light of any such change.

On July 9, 1998, the Company filed its rebuttal testimony. The Company agreed to include a capacity payment to reflect any costs not included in the energy payment; however, the Company proposed the use of an alternative method to the one set forth by Staff. The Company calculated the capacity payment by averaging the costs of the Company's non-affiliated purchases over the most recent three-year period for which figures were available, correcting for losses and subtracting the energy payment included in Rate Schedule CO-G.

Staff and the Company thus agreed on the Schedule CO-G rates, and differed only on the method of calculating the capacity rate. Staff's supplemental capacity payment was based on its rough estimate of the annual levelized fixed carrying charge of a combustion turbine. The Company asserts

that its most recent integrated resource plan includes no capacity additions and relies totally on power purchased from the market to meet its reserve margin. Therefore, in the Company's opinion, basing the supplemental payment on the cost of a combustion turbine that will not be built is not appropriate. The payment calculated by the Company is approximately 4 mills per kWh. The Company, however, agreed to accept Staff's 5 mills per kWh capacity payment.

The hearing was convened on July 23, 1998, before Hearing Examiner Deborah V. Ellenberg. Counsel appearing were Philip J. Bray for Potomac Edison and Allison L. Held for the Commission's Staff. Proof of notice was admitted to the record. No intervenors or protestants participated in the case.

On October 14, 1998, the Hearing Examiner filed her Report. In her Report, the Examiner found that the Company's proposed Schedule CO-G as modified to include a supplemental capacity payment of 5 mills per kWh is just and reasonable. In her discussion, the Examiner noted that the Company's method appears to better reflect is present intention to rely on purchases. However, the Company ultimately supported the inclusion of capacity payments of 5 mills per kWh for firm capacity contracts in each of the years 2001 and 2002 to supplement energy payments. Moreover, the Examiner noted that, as a practical matter, that recommendation would have virtually no impact on the Company or ratepayers due to the 100 kW threshold limitation for the scheduled applicability. The Examiner also agreed that the Company's proposed energy rates, connection charges, avoided energy mix and fuel prices are reasonable.

There were no comments filed to the Examiner's Report.

NOW THE COMMISSION, having considered the matter, is of the opinion that the findings and recommendations of the Examiner should be accepted. Accordingly,

IT IS ORDERED THAT:

(1) Consistent with the findings referenced herein, Potomac Edison's Schedule CO-G, as modified herein, be and hereby is approved effective for purchases on and after November 11, 1998.

(2) Potomac Edison shall file within seven (7) days from the date of this Order a revised Schedule CO-G reflecting the modifications ordered herein and bearing an effective date of November 11, 1998.

(3) There being nothing further to be done herein, this matter shall be dismissed, and the papers filed herein made a part of the Commission's file for ended causes.

CASE NO. PUE980057
AUGUST 21, 1998

APPLICATION OF
ROBERT A. WINNEY d/b/a THE WATERWORKS COMPANY OF FRANKLIN COUNTY

For an increase in rates and charges

ORDER ADOPTING RECOMMENDATIONS AND DISMISSING PROCEEDING

On July 31, 1998, the Hearing Examiner issued his Report concerning the application filed by Mr. Robert A. Winney d/b/a The Water Works Company of Franklin County (the "Company"). He recommended that the Commission enter an order granting Staff's July 1, 1998 Motion to Dismiss in which it contended that the Commission should dismiss this matter because the Company had failed to comply with the public notice requirements.

More specifically, the Hearing Examiner explained that the Commission had directed the Company, in an order entered on April 17, 1998, to provide notice to all of its customers and local officials of the Company's application and of the hearing. The Hearing Examiner stated that he had issued a Ruling on July 6, 1998, allowing the Company to file a response to Staff's Motion to Dismiss. The Hearing Examiner further stated that the Company mailed a letter to Staff counsel on or about July 13, 1998, apparently in response to Staff's Motion to Dismiss, but the Company did not explain why it had not complied with the public notice requirements of the April 17, 1998 Order; nor did it request an opportunity to cure the defective notice. The Hearing Examiner therefore recommended that the Commission grant Staff's Motion to Dismiss this matter given that the records of the Clerk of the Commission showed that the Company failed to comply with the public notice requirements or to file a certificate of mailing with the Clerk of the Commission. Therefore, the Hearing Examiner stated, the Commission should confirm that the rates and charges prescribed by the Commission in its Interim Order of February 27, 1998, in the Company's prior rate case,[1] are the rates and charges currently in effect for the Company. The Company did not file comments on the Hearing Examiner's Report.

NOW, UPON CONSIDERATION of the Hearing Examiner's July 31, 1998 Report and the applicable rules and statutes, the Commission finds that the Hearing Examiner's findings and recommendations are reasonable and should be adopted. The notice requirements of § 56-237 and § 56-237.1 of the Code of Virginia apply to this applicant as they do to any proponent of a rate case application and the Company has not met this basic requirement. Moreover, the Company has not made an effort to explain or rectify its failure to comply with the public notice requirements. In view of the Company's flagrant disregard of the Commission's orders and the requirements of the Virginia Code, we believe the only proper course of action is to dismiss this matter; therefore, the rates and charges prescribed in the February 27, 1998 Order in Case No. PUE970119 remain in effect. Accordingly,

[1] Application of Robert A. Winney d/b/a The Water Works Company of Franklin County, For a certificate of public convenience and necessity authorizing the furnishing of water, Case No. PUE970119, Document No. 980230110 (Feb. 27, 1998).

IT I S ORDERED that:

(1) The application of Robert A. Winney d/b/a The Water Works Company of Franklin County in this proceeding is dismissed.

(2) There being nothing further to be done herein, this matter shall be dismissed from the Commission's docket of active proceedings and the papers placed in the Commission's files for ended causes.

CASE NO. PUE980058
JUNE 16, 1998

APPLICATION OF
KENTUCKY UTILITIES COMPANY, t/a OLD DOMINION POWER COMPANY

To revise its fuel factor

ORDER ESTABLISHING 1998/99 FUEL FACTOR

On February 12, 1998, Kentucky Utilities Company, ("KU") t/a Old Dominion Power Company ("ODP" or "Company") filed with the Commission an application, exhibits, and a proposed tariff intended to decrease its current fuel factor from 1.223¢ per kWh to 1.208¢ per kWh, effective for bills rendered on and after April 1, 1998.

By order dated February 25, 1998, the Commission established a procedural schedule and set a hearing date for March 30, 1998. In that regard, the Commission directed its Staff to file testimony and provided an opportunity for interested persons to participate in the proceeding. No notices of protest were received.

On March 12, 1998, the Commission's Staff ("Staff") filed a motion requesting a continuance and a revised procedural schedule, citing new and complex issues which arose relating to the Company's accounting treatment of off-system sales. On March 16, 1998, the Commission granted Staff's motion, setting new dates for the filing of testimony, and establishing a revised hearing date of June 11, 1998. The original hearing date was retained for public witnesses. The Commission also ordered that the proposed fuel factor decrease from 1.223¢ per kWh to 1.208¢ per kWh to go into effect for bills rendered on and after April 1, 1998.

At the March 30, 1998 hearing, the Company presented proof of notice. No intervenors appeared.

On May 27, 1998, the Staff filed its testimony. Staff recommended that the Company's proposed estimates of energy sales and fuel prices be accepted as reasonable. Staff also recommended that the Commission approve the continuation of the total fuel factor of 1.208¢ per kWh. The Company did not file any rebuttal testimony.

The hearing was held on June 11, 1998. At the hearing, the Company's application and exhibits, and the Staff's testimony were entered into the record without cross-examination.

UPON CONSIDERATION of the record in this case, the Commission is of the opinion that a decrease in the Company's fuel factor to 1.208¢ per kWh is appropriate based, in part, on projected fuel expenses. Further, the Company shall file a plan with the Division of Public Utility Accounting detailing its proposed methodology for the allocation of costs associated with non-system sales prior to engaging in any such transactions.

Approval of this factor, however, is not construed as approval of the Company's actual fuel expenses. For each calendar year, the Commission's Staff conducts an audit and investigation which addresses, among other things, the appropriateness and reasonableness of the Company's booked fuel expenses. Staff's results are documented in an Annual Report ("Staff's Annual Report"). A copy of Staff's Annual Report is sent to the Company and to each party who participated in the Company's last fuel factor proceeding, all of whom are provided with an opportunity to comment and request a hearing on the report.

Based on Staff's Annual Report, any comments or hearing thereon, the Commission enters an Order entitled "Final Audit for twelve-month period ending December 31, 19__, Fuel Cost-Recovery Position," hereinafter referred to as "Final Audit Order." Notwithstanding any findings made by the Commission in an earlier order establishing the Company's fuel factor based on estimates of future expenses and unaudited booked expenses, the Final Audit Order will be the final determination of not only what are, in fact, allowable fuel expenses and credits, but also the Company's over or underrecovery position as of the end of the audit period. Should the Commission find in its Final Audit Order (1) that any component of the Company's actual fuel expenses or credits has been inappropriately included or excluded, or (2) that the Company has failed to make every reasonable effort to minimize fuel costs or has made decisions resulting in unreasonable fuel costs, the Company's recovery position will be adjusted. This adjustment will be reflected in the recovery position at the time of the Company's next fuel factor proceeding. We reiterate that no finding in this order is final, as this matter is continued generally, pending Staff's audit of actual fuel expenses. Accordingly,

IT IS ORDERED THAT:

(1) A total fuel factor of 1.208¢ per kWh is hereby approved effective for bills rendered on and after April 1, 1998.

(2) The Company shall file with the Division of Public Utility Accounting a plan detailing its proposed cost allocation methodology prior to engaging in any non-system transactions.

(3) This case is continued generally.

CASE NO. PUE980059
MARCH 5, 1998

COMMONWEALTH OF VIRGINIA, ex rel.
MIKE DEANE, et al.
v.
BOTETOURT FOREST WATER CORPORATION

PRELIMINARY ORDER

By letters dated December 15, 1997 and January 10, 1998, Botetourt Forest Water Corporation ("the Company") notified the Commission's Division of Energy Regulation, and its customers, respectively, pursuant to the Small Water or Sewer Public Utility Act (§ 56-265.13:1 of the Code of Virginia, et seq.) of its intent to increase its water rates effective for service rendered on and after March 1, 1998. On February 18, 1998, the Commission's Division of Energy Regulation received a petition requesting a hearing from approximately twenty-six percent (26%) of the Company's affected customers.

NOW THE COMMISSION, having considered the matter, is of the opinion that a hearing should be scheduled pursuant to § 56-265.13:6 of the Code of Virginia. A procedural order establishing, among other things, the date and location of the hearing will be by separate order of the Commission.

The Commission is also of the opinion that the Company's proposed rates should be declared interim and subject to refund, with interest, effective on and after the date of this Order. In addition, the Company should file certain financial information based on the proposed test year on or before May 1, 1998. Accordingly,

IT IS ORDERED THAT:

(1) This matter shall be docketed and assigned Case No. PUE980059;

(2) The increase in the Company's rates shall be interim and subject to refund, with interest, effective for service rendered on and after the date of this Order;

(3) The Company shall file with the Clerk, State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218, on or before May 1, 1998, certain financial data based on the Company's proposed test year. Such information shall include, at a minimum, an income statement, balance sheet, statement of cash flows, the Company's most recent tax return, and a rate of return statement, with workpapers supporting all proposed adjustments to book amounts, which support the Company's proposed rate increase as required by § 8 of the Commission's Rules Implementing the Small Water or Sewer Public Utility Act; and

(4) This matter shall be continued subject to further order of the Commission.

CASE NO. PUE980060
MAY 22, 1998

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For a certificate of Public Convenience and Necessity authorizing operation of transmission lines and facilities in Dinwiddie County: Chapparal 230 kV Tap Line

ORDER GRANTING CERTIFICATE

Before the Commission is Virginia Electric and Power Company's ("Virginia Power" or "the Company") application for a certificate of public convenience and necessity for the County of Dinwiddie, to authorize the construction and operation of a single-circuit 230 kV transmission tap line to serve a steel recycling plant to be constructed by Chaparral (Virginia). The transmission line will run from the existing Locks to Carson 230 kV circuit to a new substation on the Chaparral site that will be owned by the customer. The proposed tap line will be approximately 2100 feet long, and will require a new right-of-way cleared to a width of 120 feet. The proposed route will be entirely on Chaparral's property. As shown in the application as Attachment II.A.9.b, the tap line would originate and terminate in Virginia Power's service area, but would cross Southside Electric Cooperative's territory. The Cooperative does not oppose the application.

By order dated March 19, 1998, the Commission docketed this proceeding and directed the Company to give notice of its application by newspaper publication and by serving copies of the order on local government officials. There were no comments or requests for hearing. On April 8, 1998, Virginia Power filed proof of newspaper publication and an affidavit of service of copies of the order on the required government officials. The Commission finds that proper notice was given, as required by § 56-265.2 of the Code of Virginia.

On May 1, 1998, the Staff filed with the Clerk of the Commission a report of its investigation ("Staff Report") and provided copies to Virginia Power.

Upon consideration of Virginia Power's application and the Staff Report, the Commission finds that there is a need for the proposed facility. The Staff Report agrees with the application that the proposed facility is required to provide reliable service to Chaparral steel recycling plant, and it is the best technical option available. According to Virginia Power's application, the proposed tap line would transit an industrial area and would not significantly impact any scenic, environmental or historic resources. The DEQ conducted an environmental review and found no significant problems with the proposed tap line project. However, various permits and approvals as specified in the review will be necessary prior to project commencement. According to the DEQ, compliance with permit requirements and proper consideration of the DEQ's recommendations should ensure that environmental impacts are

minimized to the greatest extent practicable. Based on the DEQ's representations, the Commission finds that no additional conditions are necessary to minimize the adverse environmental impact of the project.

Upon consideration of the material before it, the Commission finds that the construction and operation of a single-circuit 230 kV transmission tap line from the Locks-Carson line to the Chaparral substation does not appear to have a substantial adverse environmental impact and that a certificate of public convenience and necessity to construct and operate the proposed single-circuit 230 kV tap line should be issued to Virginia Power. Accordingly,

IT IS ORDERED THAT:

(1) Pursuant to § 56-265.2 and related provisions of the Code of Virginia, this application is granted.

(2) Virginia Power be issued an amended certificate that the public convenience and necessity requires exercise of the right or privilege to construct the 230 kV transmission tap line from the Locks-Carson line to the proposed Chaparral substation.

(3) Virginia Power be issued an amended certificate of public convenience and necessity as follows:

> Certificate No. ET-76j to operate present transmission lines and facilities in Dinwiddie County, and to construct and operate a 2100 foot 230 kV transmission tap line from the Locks-Carson 230 kV transmission line to the new substation on Chaparral property, as shown on the map attached thereto. Certificate No. ET-76j is to supersede Certificate No. ET-76i issued on June 16, 1994.

(4) This case be dismissed from the docket of active proceedings and the papers herein be placed in the file for ended causes.

CASE NO. PUE980109
APRIL 24, 1998

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
VIRGINIA NATURAL GAS, INC.,
Defendant

ORDER OF SETTLEMENT

Pursuant to § 56-265.30 of the Code of Virginia, the Virginia State Corporation Commission ("Commission") is charged with enforcing the provisions of the Underground Utility Damage Prevention Act, §§ 56-265.14 et seq. of the Code of Virginia. The Commission's Division of Energy Regulation ("Division"), after having conducted an investigation of this matter, alleges that:

(1) On or about June 11, 1997, Capital Installation of Hampton, Inc. damaged a five-eighths inch plastic gas service line operated by Virginia Natural Gas, Inc. ("the Company") located at or near 258 Exeter Road, Newport News, Virginia, while excavating;

(2) On or about October 2, 1997, A & W Contractors, Inc. damaged a one-half inch plastic gas service line operated by the Company located at or near 5129 Shenstone Drive, Virginia Beach, Virginia, while excavating;

(3) On or about October 23, 1997, Kempsville Landscaping damaged a one and one-quarter inch steel gas service line operated by the Company located at or near 5557 Virginia Beach Boulevard, Virginia Beach, Virginia, while excavating;

(4) On or about October 29, 1997, Corbin Cable Contracting damaged a one-half inch plastic gas service line operated by the Company located at or near 7146 Sugar Oak Court, Mechanicsville, Virginia, while excavating;

(5) On or about December 5, 1997, Falcon Construction Corporation damaged a one-half inch plastic gas service line operated by the Company located at or near 8630 Old Ocean View Drive, Norfolk, Virginia, while excavating;

(6) On or about December 8, 1997, Mechanicsville Backhoe, Inc. damaged a one-half inch plastic gas service line operated by the Company located at or near 8940 King's Charter Drive, Mechanicsville, Virginia, while excavating;

(7) On or about December 17, 1997, RTS Construction Company damaged a one-half inch plastic gas service line operated by the Company located at or near 7394 Brandycreek Drive, Mechanicsville, Virginia, while excavating;

(8) On or about December 17, 1997, Virginia Electric and Power Company damaged a one-half inch plastic gas service line operated by the Company located at or near 7394 Brandycreek Drive, Mechanicsville, Virginia, while excavating;

(9) On or about January 6, 1998, A & W Contractors, Inc. damaged a two inch plastic gas main line operated by the Company located at or near 1150 Hoover Avenue, Chesapeake, Virginia, while excavating; and

(10) The Company caused such damages by failing to mark the approximate horizontal location of the lines on the ground to within two feet of either side of the underground utility lines, in violation of § 56-265.19 A of the Code of Virginia.

As evidenced in the attached Admission and Consent document, the Company neither admits nor denies these allegations, but admits the Commission's jurisdiction and authority to enter this Order. As an offer to settle all matters before the Commission arising from the Division's allegations made herein, the Company represents and undertakes that:

(1) The Company will pay a civil penalty to the Commonwealth of Virginia in the amount of $6,800 to be paid contemporaneously with the entry of this Order. This payment will be made by cashier's check or money order, payable to the Treasurer of Virginia and directed to the attention of the Director of the Division of Energy Regulation.

(2) Any fines paid in accordance with this Order shall not be recovered in the Company's rates as part of the cost of service. Any such fines shall be booked in Uniform System of Account No. 426.3. The Company shall verify its booking by filing a copy of the trial balance showing this entry with the Division of Public Utility Accounting.

The Commission, being advised by the Staff and finding sufficient basis herein for the entry of this Order, hereby accepts this settlement. Accordingly,

IT IS ORDERED THAT:

(1) Pursuant to the authority granted the Commission by § 12.1-15 of the Code of Virginia, the offer of settlement made by the Company be, and it hereby is, accepted.

(2) The sum of $6,800 tendered contemporaneously with the entry of this Order is accepted.

(3) This case is dismissed and the papers herein be placed in the file for ended causes.

CASE NO. PUE980111
APRIL 20, 1998

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
WASHINGTON GAS LIGHT COMPANY,
Defendant

ORDER OF SETTLEMENT

Pursuant to § 56-265.30 of the Code of Virginia, the Virginia State Corporation Commission ("Commission") is charged with enforcing the provisions of the Underground Utility Damage Prevention Act, §§ 56-265.14 et seq. of the Code of Virginia. The Commission's Division of Energy Regulation ("Division"), after having conducted an investigation of this matter, alleges that:

(1) On or about August 6, 1996, D. A. Foster Company damaged a one-quarter inch plastic gas service line operated by Washington Gas Light Company ("the Company") located at or near 8130 Saxony Drive, Annandale, Virginia, while excavating;

(2) On or about October 20, 1997, John C. Flood of Virginia, Inc. damaged a one-quarter inch plastic gas service line operated by the Company located at or near 7009 Stone Mill Place, Alexandria, Virginia, while excavating;

(3) On or about November 18, 1997, CAPCO Construction Corporation damaged a three-quarter inch plastic gas service line operated by the Company located at or near 3424 Lockheed Boulevard, Fairfax, Virginia, while excavating;

(4) On or about December 3, 1997, UTILX Corporation damaged a three-quarter inch plastic gas service line operated by the Company located at or near 6929 Stone Road, Alexandria, Virginia, while excavating;

(5) On or about December 3, 1997, Fort Myer Construction Corporation damaged a one-quarter inch plastic gas service line operated by the Company located at or near 14500 Elrio Court, Dale City, Virginia, while excavating;

(6) On or about December 4, 1997, Arbor Tech, Inc. damaged a one-quarter inch plastic gas service line operated by the Company located at or near 1720 Fox Run Court, Fairfax, Virginia, while excavating;

(7) On or about December 8, 1997, Rockingham Construction Company, Incorporated damaged a three-quarter inch plastic gas service line operated by the Company located at or near 9201 William Street, Manassas, Virginia, while excavating;

(8) On or about December 12, 1997, L & L Construction Company, Inc. damaged a six inch plastic gas main line operated by the Company located at or near Landerset Drive and Sugarland Road, Sterling, Virginia, while excavating;

(9) On or about December 16, 1997, Town of Vienna damaged a one-half inch plastic gas service line operated by the Company located at or near 9625 Podium Drive, Vienna, Virginia, while excavating;

(10) On or about December 24, 1997, CAPCO Construction Corporation damaged a three-quarter inch plastic gas service line operated by the Company located at or near 7014 Galegate Drive, Springfield, Virginia, while excavating;

(11) On or about December 26, 1997, Northern Virginia Electric Cooperative damaged a one-quarter inch plastic gas service line operated by the Company located at or near 4137 Glen Dale Road, Woodbridge, Virginia, while excavating;

(12) On or about December 29, 1997, Fairfax County Water Authority damaged a three-quarter inch steel gas service line operated by the Company located at or near 2433 Hunter Mill Road, Vienna, Virginia, while excavating;

(13) On or about January 5, 1998, The Driggs Corporation damaged a two inch plastic gas service line operated by the Company located at or near 2243 Colts Neck Road, Reston, Virginia, while excavating; and

(14) The Company caused such damages by failing to mark the approximate horizontal location of the lines on the ground to within two feet of either side of the underground utility lines, in violation of § 56-265.19 A of the Code of Virginia.

As evidenced in the attached Admission and Consent document, the Company neither admits nor denies these allegations, but admits the Commission's jurisdiction and authority to enter this Order. As an offer to settle all matters before the Commission arising from the Division's allegations made herein, the Company represents and undertakes that:

(1) The Company will pay a civil penalty to the Commonwealth of Virginia in the amount of $9,850 to be paid contemporaneously with the entry of this Order. This payment will be made by cashier's check or money order, payable to the Treasurer of Virginia and directed to the attention of the Director of the Division of Energy Regulation.

(2) Any fines paid in accordance with this order shall not be recovered in the Company's rates as part of the cost of service. Any such fines shall be booked in Uniform System of Account No. 426.3. The Company shall verify its booking by filing a copy of the trial balance showing this entry with the Division of Public Utility Accounting.

The Commission, being advised by the Staff and finding sufficient basis herein for the entry of this Order, hereby accepts this settlement. Accordingly,

IT IS ORDERED THAT:

(1) Pursuant to the authority granted the Commission by § 12.1-15 of the Code of Virginia, the offer of settlement made by the Company be, and it hereby is, accepted.

(2) The sum of $9,850 tendered contemporaneously with the entry of this Order is accepted.

(3) This case is dismissed and the papers herein be placed in the file for ended causes.

CASE NO. PUE980113
JUNE 24, 1998

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
COLUMBIA GAS OF VIRGINIA, INC.,
Defendant

ORDER OF SETTLEMENT

Pursuant to § 56-265.30 of the Code of Virginia, the Virginia State Corporation Commission ("Commission") is charged with enforcing the provisions of the Underground Utility Damage Prevention Act, §§ 56-265.14 et seq. of the Code of Virginia. The Commission's Division of Energy Regulation ("Division"), after having conducted an investigation of this matter, alleges that:

(1) On or about September 17, 1997, Coles Excavating, Inc. damaged a one inch plastic gas service line operated by Columbia Gas of Virginia, Inc. ("the Company") located at or near 10047 Noresville Road, Manassas, Virginia, while excavating;

(2) On or about September 23, 1997, R. P. Lucas Underground Utilities, Inc. damaged a two inch plastic gas main line operated by the Company located at or near 3401 Lombardy Avenue, Portsmouth, Virginia, while excavating;

(3) On or about September 29, 1997, City of Portsmouth damaged a one and one-quarter inch plastic gas main line operated by the Company located at or near 510 Dinwiddie Street, Portsmouth, Virginia, while excavating;

(4) On or about October 30, 1997, Checkmate Communications, Inc. damaged a one-half inch plastic gas service line operated by the Company located at or near 14518 Sonnenburg Drive, Chester, Virginia, while excavating;

(5) On or about November 4, 1997, UTILX Corporation damaged a two inch plastic gas main line operated by the Company located at or near Dell Drive and Ives Lane, Richmond, Virginia, while excavating;

(6) On or about November 6, 1997, F. L. Showalter, Incorporated damaged a one inch steel gas service line operated by the Company located at or near 2204 Rivermont Avenue, Lynchburg, Virginia, while excavating;

(7) On or about December 12, 1997, East Coast Abatement Co., Inc. damaged a three-quarter inch steel gas service line operated by the Company located at or near 700 Frederick Boulevard, Portsmouth, Virginia, while excavating;

(8) On or about December 12, 1997, Virginia Electric and Power Company damaged a two inch plastic gas main line operated by the Company located at or near 303 High Street, Gordonsville, Virginia, while excavating; and

(9) The Company caused such damages by failing to mark the approximate horizontal location of the lines on the ground to within two feet of either side of the underground utility lines, in violation of § 56-265.19 A of the Code of Virginia.

As evidenced in the attached Admission and Consent document, the Company neither admits nor denies these allegations, but admits the Commission's jurisdiction and authority to enter this Order. As an offer to settle all matters before the Commission arising from the Division's allegations made herein, the Company represents and undertakes that:

(1) The Company will pay a civil penalty to the Commonwealth of Virginia in the amount of $5,600 to be paid contemporaneously with the entry of this Order. This payment will be made by cashier's check or money order, payable to the Treasurer of Virginia and directed to the attention of the Director of the Division of Energy Regulation.

(2) Any fines paid in accordance with this Order shall not be recovered in the Company's rates as part of the cost of service. Any such fines shall be booked in Uniform System of Account No. 426.3. The Company shall verify its booking by filing a copy of the trial balance showing this entry with the Division of Public Utility Accounting.

The Commission, being advised by the Staff and finding sufficient basis herein for the entry of this Order, hereby accepts this settlement. Accordingly,

IT IS ORDERED THAT:

(1) Pursuant to the authority granted the Commission by § 12.1-15 of the Code of Virginia, the offer of settlement made by the Company be, and it hereby is, accepted.

(2) The sum of $5,600 tendered contemporaneously with the entry of this Order is accepted.

(3) This case is dismissed and the papers herein be placed in the file for ended causes.

CASE NO. PUE980116
MAY 14, 1998

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
BYERS ENGINEERING COMPANY,
Defendant

ORDER OF SETTLEMENT

Pursuant to § 56-265.30 of the Code of Virginia, the Virginia State Corporation Commission ("Commission") is charged with enforcing the provisions of the Underground Utility Damage Prevention Act, §§ 56-265.14 et seq. of the Code of Virginia. The Commission's Division of Energy Regulation ("Division"), after having conducted an investigation of this matter, alleges that:

(1) On or about May 25, 1996, Arlington County, Virginia, Public Works damaged a one and one-quarter inch plastic gas service line operated by Washington Gas Light Company located at or near 2310 South Walter Reed Drive, Arlington, Virginia, while excavating;

(2) On or about October 23, 1996, D. A. Foster Company damaged a three-quarter inch plastic gas service line operated by Washington Gas Light Company located at or near 4632 Kirkland Place, Alexandria, Virginia, while excavating;

(3) On or about December 18, 1996, Fort Myer Construction Corporation damaged a one and one-half inch steel gas service line operated by Washington Gas Light Company located at or near 2415 Wilson Boulevard, Arlington, Virginia, while excavating;

(4) On or about November 3, 1997, Virginia Electric and Power Company damaged a three-quarter inch plastic gas service line operated by Washington Gas Light Company located at or near 5294 Winterview Drive, Fairfax, Virginia, while excavating;

(5) On or about November 12, 1997, Impact Augering, Inc., damaged a one inch plastic gas service line operated by Washington Gas Light Company located at or near 11200 Laphem Drive, Oakton, Virginia, while excavating;

(6) On or about November 12, 1997, UTILX Corporation damaged a four inch plastic gas main line operated by Washington Gas Light Company located at or near Carlin Lane and Chowning Place, McLean, Virginia, while excavating;

(7) On or about November 19, 1997, Leo Construction Company damaged a two inch plastic gas main line operated by Washington Gas Light Company located at or near Lot 63, Tackhouse Loop, Gainesville, Virginia, while excavating;

(8) On or about November 22, 1997, Fred W. Borden, Incorporated, damaged a two inch plastic gas main line operated by Washington Gas Light Company located at or near 12203 Hoop Court, Chantilly, Virginia, while excavating;

(9) On or about December 8, 1997, Leo Construction Company damaged a three-quarter inch plastic gas service line operated by Washington Gas Light Company located at or near Lot 4, Balmoral Greens Avenue, Centreville, Virginia, while excavating;

(10) On or about December 15, 1997, Atlantic General Corporation damaged a one and one-quarter inch plastic gas service line operated by Washington Gas Light Company located at or near 7909 Rolling Road, Fairfax, Virginia, while excavating;

(11) On or about December 19, 1997, G. H. Wolff, Jr. Excavating, Inc., damaged a three-quarter inch plastic gas service line operated by Washington Gas Light Company located at or near 43317 Hagen Court, South Riding, Virginia, while excavating;

(12) On or about January 2, 1998, Deck America, Inc., damaged a three-quarter inch plastic gas service line operated by Washington Gas Light Company located at or near 20410 Cool Fern Square, Ashburn, Virginia, while excavating;

(13) On or about January 6, 1998, Chesapeake Excavation and Utilities, Inc., damaged a three-quarter inch steel gas service line operated by Washington Gas Light Company located at or near 3939 Prince William Drive, Fairfax, Virginia, while excavating;

(14) On or about January 14, 1998, CAPCO Construction Corporation, damaged a three-quarter inch plastic gas service line operated by Washington Gas Light Company located at or near 3298 Laneview Place, Herndon, Virginia, while excavating; and

(15) Byers Engineering Company ("the Company") caused such damages by failing to mark the approximate horizontal location of the lines on the ground to within two feet of either side of the underground utility lines, in violation of § 56-265.19 A of the Code of Virginia.

As evidenced in the attached Admission and Consent document, the Company neither admits nor denies these allegations, but admits the Commission's jurisdiction and authority to enter this Order. As an offer to settle all matters before the Commission arising from the Division's allegations made herein, the Company represents and undertakes that it will pay a civil penalty to the Commonwealth of Virginia in the amount of $10,400 to be paid contemporaneously with the entry of this Order. This payment will be made by cashier's check or money order, payable to the Treasurer of Virginia and directed to the attention of the Director of the Division of Energy Regulation.

The Commission, being advised by the Staff and finding sufficient basis herein for the entry of this Order, hereby accepts this settlement. Accordingly,

IT IS ORDERED THAT:

(1) Pursuant to the authority granted the Commission by § 12.1-15 of the Code of Virginia, the offer of settlement made by the Company be, and it hereby is, accepted.

(2) The sum of $10,400 tendered contemporaneously with the entry of this Order is accepted.

(3) This case is dismissed and the papers herein be placed in the file for ended causes.

CASE NO. PUE980138
MARCH 20, 1998

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION

Ex Parte: In the matter of requiring reports and actions related to independent system operators, regional power exchanges and retail access pilot programs

ORDER ESTABLISHING INVESTIGATION

Pursuant to order in Case No. PUE950089, dated December 1, 1997, comments were sought from interested parties regarding several recommendations in the Staff's "Draft Working Model for Restructuring the Electric Utility Industry in Virginia," ("Staff Report") dated November 7, 1997. Those recommendations concern rate review and evaluation, retail access pilot programs, independent system operators ("ISOs") and regional power exchanges ("RPXs").

Comments were received in January, 1998, from the following entities: Allegheny Power; Apartment and Office Building Association of Washington; Midcon Corporation, Southern Environmental Law Center; Virginia Independent Power Producers, Inc.; Virginia, Maryland & Delaware Association of Electric Cooperatives, Old Dominion Electric Cooperative, and the Virginia Distribution Cooperatives; Enron Corporation; Appalachian Power Company; Virginia Committee For Fair Utility Rates; Virginia Power; Division of Consumer Counsel, Office of the Attorney General; and Eastern Power Distribution, Inc.

The Commission has considered these comments and the Staff Report. We now find it appropriate to require further activities and information from various parties to assist us in moving forward as expeditiously as possible in the evolving world of electric utility restructuring. This order establishes a separate docket for that purpose.

The Staff Report recommended that the Commission help enable the formation of one or more ISOs and RPXs, and the implementation of retail access pilot programs and studies. Staff Report, p. 13. The Staff Report noted that there are many issues and problems to be addressed regarding each such subject. That point is certain, and we find that the Staff was correct in urging that the above measures be taken.

These matters have gained additional impetus from the General Assembly, which passed two related measures during the recent legislative session.

Senate Joint Resolution 91, in part, requests the Commission to direct the implementation of various restructuring pilot programs, and the development of ISOs and RPXs. House Bill 1172 concluded, among a number of other provisions, that the Commission and parties involved in electric generating and transmission facilities, as well as the sale of electricity in Virginia, should work together to establish, by specified deadlines, ISOs and RPXs to serve the public interest.[1]

We are generally aware that companies such as AEP-Virginia, Allegheny Power and Virginia Power are already engaged in efforts to develop one or more ISOs, and perhaps RPXs.[2] While those activities may continue, we will direct in this order that they now be conducted in conjunction with the Staff and other interested stakeholders, and that they focus on both ISOs and RPXs. Companies that have not started work in these areas will be required to do so, under the same procedures. In addition, we will require that various parties supply us with information as to their previous and present activities, and future plans and activities, regarding ISOs and RPXs. Finally, Virginia Power and AEP-Virginia will be directed to develop pilot programs in cooperation with Staff and other interested parties.

Certain of the information we seek in this order may be deemed by one or more entities subject to the obligations hereof to be so commercially sensitive that it should be handled in a confidential manner. However, these matters are of overriding importance to the public interest; they affect vital public services; and the public should therefore have reasonable access to the information which will be developed herein. Undue secrecy will also delay the progress of our work in this area. The Commission intends to conduct its consideration of these issues in as open and expeditious a process as reasonably possible. Therefore, in an attempt to balance competing interests, we will adopt the procedures set forth in ordering paragraph VII., below, with regard to confidential treatment of information in this case.

ACCORDINGLY, IT IS HEREBY ORDERED THAT:

I. All investor-owned electric utilities doing business in Virginia shall begin work immediately, in conjunction with the Staff and other interested stakeholders, including entities providing electric generating and transmission facilities, those involved in the sale of electricity, the Attorney General's office, representatives of environmental interests, and residential, commercial and industrial customers, or representatives thereof, to develop one or more ISOs and RPXs to serve the public interest in the Commonwealth.

ISO and RPX proposals shall address, without limitation, issues of consumer protection, just and reasonable rates, market power, generation and transmission adequacy and reliability, accommodation of the interests of Virginia's retail electric cooperatives, Old Dominion Electric Cooperative and municipal electric systems and protection of the environment.

The details, objectives and characteristics of proposed ISOs and RPXs shall be developed and filed with the Commission by said companies as soon as practicable, but, in any event, so as to allow necessary and appropriate considerations of these proposals, including any necessary public hearings, in a timely fashion.

II. All investor-owned electric utilities doing business in Virginia, and Old Dominion Electric Cooperative, are directed to file a report with this Commission on or before April 15, 1998, covering the period through March 31, 1998, responding to the following questions with regard to their previous and present activities, and future plans, concerning ISOs and RPXs:

A. What activities, discussions or meetings, if any, has your company, or any affiliate(s) of your company, conducted in the past, or is your company or any such affiliate(s) conducting currently, either internally within such company or affiliate, or among them, or with outside parties, regarding the formation or operation of one or more ISOs or RPXs? Provide full details of all such matters, including:

1. subjects or issues discussed, parties involved, questions resolved, conclusions reached, and agreements or proposed agreements executed or developed.

2. the composition, membership, operational principles and details, and geographical limits of any potential or proposed ISOs and/or RPXs.

3. the proposed or projected schedule for implementation and operation of such ISOs and RPXs, including dates for signing of agreements, dates for filing for approval by appropriate federal and state authorities (specify and describe what approvals are necessary), dates for conducting trial periods, in-service operational dates, etc.

4. the projected costs and staffing levels of such entities, including initial, start-up costs, as well as operating costs. How and by what entities will such costs be paid?

5. potential ISOs and RPXs rejected and the reasons and analysis leading to such rejection (if any potential ISO was rejected due to a conclusion that inadequate transmission or power transfer capabilities exist for such ISO, provide an analysis of what steps, including projected costs, would be necessary to correct such problems. Also, state whether the entities concerned intend to pursue these solutions, and why or why not.).

[1] As of the date of this order, HB1172 has not been signed into law by the Governor.

[2] Our Staff was provided this week with a report on ISOs prepared for Allegheny Energy, Virginia Power and other companies by the National Grid Company plc.

6. potential ISOs and RPXs that appear viable and the reasons and analysis leading to such conclusion of viability.

7. analyses of how specific potential ISOs and RPXs will or can be structured and governed so as to assure efficient, proper operation and independence of such entities from any influence from inappropriate outside sources.

8. analyses of issues of transmission and power transfer capability constraints and market power (vertical and horizontal) related to such activities or entities and how such issues will be addressed.

9. specific analyses of the time-related "must-run" characteristics of all units located within the geographic area bounded by any ISO and/or RPX that is being pursued.

10. proposals and analyses addressing the following issues: (i) the efficient location of generation; (ii) the efficient construction of new transmission facilities; (iii) transmission pricing methodologies, including congestion pricing; and (iv) internal monitoring and assessment practices.

11. any market studies or other studies conducted regarding any such matters.

12. copies of all relevant documents.

B. With regard to all matters reported on above, how would the public interest have been, or be, benefited or harmed by the specific matter discussed, and more broadly, how is your company attempting to balance shareholder and customer interests in all of its activities regarding ISO and RPX issues? Provide copies of all relevant documents.

C. With regard to all matters reported on above, how would the interests of Virginia's retail electric cooperatives, Old Dominion Electric Cooperative and municipal electric systems have been, or be, benefited or harmed by the specific matter discussed, and more broadly, how is your company attempting to accommodate the needs and special considerations of such entities in all of its activities regarding ISOs and RPXs? Provide copies of all relevant documents.

D. What future activities does your company, or any affiliate(s) of your company, plan, if any, with respect to the same issues and questions raised in ordering paragraphs II.A., B. and C., above? Report in the same detail and specificity as delineated in such ordering paragraphs. Provide copies of all relevant documents.

III. All investor-owned electric utilities doing business in Virginia, and Old Dominion Electric Cooperative, are directed to file a report with this Commission monthly, beginning May 15, 1998, (covering the immediately preceding calendar month), until further order of this Commission, responding to the same questions with regard to their previous and present activities, and future plans, concerning ISOs and RPXs, as set forth in ordering paragraph II., above.

IV. All entities subject to the obligations imposed by this order shall cooperate fully with the Staff of this Commission, and respond within ten days to Staff data requests, interrogatories, and other requests for information which the Staff may propound, regarding the issues and questions raised in this order.

V. Virginia Power and AEP-Virginia, which together serve 85% of retail electric customers in Virginia, shall begin work immediately, in conjunction with the Staff, directed toward the implementation in each of said companies' service territory of at least one retail access pilot program and study. Such programs shall be designed to address at least the issues and concerns identified on pages 14 through 15 of the Staff Report. As a part of such efforts, the companies shall conduct workshops with other interested stakeholders, such as entities providing electric generating and transmission facilities, those involved in the sale of electricity, the Attorney General's office, representatives of environmental interests, and residential, commercial and industrial customers, or representatives thereof, to solicit input regarding the proper structure and characteristics of such pilots.

The details, objectives and characteristics of such proposed pilot programs shall be developed and filed with the Commission by said companies on or before August 1, 1998. By further order of this Commission, any necessary public hearings will be scheduled after said date to consider such proposals.

Other companies providing retail electric service in Virginia are welcome to propose retail access pilot programs in their service territories as well.[3] They may do so by notifying the Staff in writing of such intention as soon as practicable and by following the procedures set forth in this ordering paragraph V.

VI. All interested parties may file comments with the Commission on or before April 30, 1998, on the matters covered in this order. In particular, parties are invited to suggest issues for consideration and investigation regarding ISOs and RPXs in addition to those raised in this order. Such parties may also comment in response to any reports or filings required in ordering paragraphs I. through V. hereof by filing such comments on or before 15 days after the filing dates of any such reports or filings.

VII. The following procedures regarding confidential treatment of material shall be observed by Staff and all parties hereto.

A. Any entity seeking to have any portion of material it files in this case handled in a confidential manner shall append an affidavit to such material, signed by a responsible official of said entity, stating which portion or portions of said material should be kept confidential and specifying in explicit detail why confidential treatment is necessary. For example, if the claim is that disclosure could harm the company commercially, this contention must be supported in detail. Such affidavit shall include a representation that such material is not otherwise available to the public. The affidavit shall also

[3] The Staff Report recommended that pilot programs also be implemented by at least two retail electric cooperatives. While we are not mandating that step at this time, cooperatives are encouraged to propose pilots on their own initiative.

state whether confidential treatment is requested for the affidavit itself, and the reasons therefor. Generalized statements of the grounds for confidential treatment of materials, or an effort to have entire documents handled as such, will not be deemed sufficient compliance with this procedure.

B. Material containing information which is sought to be kept confidential under paragraph A., above, shall be filed with the Commission in two copies. One copy shall be a complete and correct copy of the material, with no redactions. The Commission and its Staff shall have full access to this copy. The other copy shall have proposed confidential material, described in the affidavit, redacted. This second copy shall be distributed by the filing entity to the persons on the service list created under ordering paragraph VIII., below, and such copy will also be made available for public inspection in the Clerk's Office.

C. Upon compliance with the above procedures, the Commission will hold the proposed confidential material under seal until after at least three days' notice to the filing entity of an opportunity for hearing, and further order of the Commission after such opportunity. Proceedings to review confidential treatment of material may be initiated on the Commission's own motion, or on motion of the Staff or any party in interest. Parties in interest seeking access to such material under confidentiality agreements may file appropriate motions with the Commission.

VIII. To provide initial notice of this proceeding, copies of this order shall be sent to all persons currently on the service list for Case No. PUE950089. Those entities required to file any documents or materials with the Commission under any provision of this order ("Filing Entities") are required to serve copies thereof, simultaneously with such filing, only on persons in interest which have provided written notice to the Clerk, with simultaneous copies to all Filing Entities and those persons in interest which have previously provided such written notices, that such persons desire to receive copies of documents or materials in this case. Those giving such notice shall be supplied by the Filing Entities with copies of all further filings in this case which are due at least 15 days after the date of receipt of the notice. Only entities on the service list created by the notice procedure described in this paragraph shall receive copies of further pleadings and orders in this case. The provisions of this paragraph are subject in all respects to the provisions regarding confidentiality contained in ordering paragraph VII. hereof.

CASE NO. PUE980139
MAY 1, 1998

APPLICATION OF
RESTON LAKE ANNE AIR CONDITIONING CORPORATION

For an increase in rates

ORDER FOR NOTICE AND HEARING

On April 22, 1998, Reston Lake Anne Air Conditioning Corporation ("RELAC" or "the Company"), filed a complete application requesting an increase in its rates effective for service rendered on and after May 22, 1998. In its application, RELAC states that its proposed revisions reflect a sixty percent(60%) increase in metered service. The Company's proposed rates are as follows:

NON-INTERRUPTIBLE RATES AND CHARGES

METERED SERVICE:

$8.96 per 1,000 gallons for the 1st 10,000 gallons used each billing period.

$4.48 per 1,000 gallons for each 1,000 gallons or part thereof used in excess of 10,000 gallons in each billing period.

The minimum charge per billing period for metered customers is $54.00 payable regardless of usage but credited against actual usage.

NOW THE COMMISSION, having considered the Company's application, is of the opinion and finds that a hearing should be scheduled to receive evidence relevant to the Company's proposed increase in rates. The Commission is of the further opinion that RELAC's rates should be declared interim and subject to refund on and after May 22, 1998. Accordingly,

IT IS ORDERED THAT:

(1) This matter is docketed and assigned Case No. PUE980139;

(2) The increase in the Company's rates shall be declared interim and subject to refund with interest for service rendered on and after May 22, 1998, until such time as the Commission has determined this case;

(3) Pursuant to Rule 7:1 of the Commission Rules of Practice and Procedure ("Rules"), a Hearing Examiner is appointed to conduct all further proceedings in this matter;

(4) A public hearing before a Hearing Examiner shall be held on Thursday, October 22, 1998, commencing at 10:00 a.m. in the Commission's Second Floor Courtroom for the purpose of receiving evidence relevant to the Company's proposed rate revision;

(5) The appropriate members of the Commission's Staff shall investigate the reasonableness of the Company's proposed rates and present their findings and recommendations in testimony at the October 22, 1998 public hearing;

(6) The Company forthwith make a copy of its proposed rates and accompanying materials available for public inspection during regular business hours at Reston Regional Library, 11925 Bowman Town Drive, Reston, Virginia 20190;

(7) On or before July 15, 1998, the Company shall file with the SCC Document Control Center an original and fifteen (15) copies of the prepared testimony and exhibits the Company intends to present at the public hearing, and make a copy of the same available for public inspection as provided in paragraph (6) herein;

(8) On or before August 3, 1998, any person desiring to participate as a Protestant, as defined in Rule 4:6, shall file with the Clerk of the Commission an original and fifteen (15) copies of a Notice of Protest as provided in Rule 5:16(a) and shall serve a copy on the Company. Service upon the Company shall be made on Douglas A. Cobb, President, Reston Lake Anne Air Conditioning Corporation, P.O. Box 128, Great Falls, Virginia 22066;

(9) Within five (5) days of receipt of any Notice of Protest, the Company shall serve on each Protestant a copy of all material now or hereinafter filed with the Commission;

(10) Any person who expects to submit evidence, cross-examine witnesses, or otherwise participate in the proceeding as a Protestant, pursuant to Rule 4:6, shall file, on or before June 16, 1998, an original and fifteen (15) copies of a Protest with the Clerk of the State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218 referring to Case No. PUE980139 and shall simultaneously send a copy thereof to the Company as provided in paragraph (8) above;

(11) The Protest shall set forth (i) a precise statement of the interest of the Protestant in the proceeding; (ii) a full and clear statement of the facts which the Protestant is prepared to prove by competent evidence; and (iii) a statement of the specific relief sought and the legal basis thereof. Any corporate entity or governmental unit that wishes to submit evidence, cross-examine witnesses, or otherwise participate as a Protestant must be represented by legal counsel in accordance with the requirements of Rule 4:8;

(12) On or before August 17, 1998, each Protestant shall file an original and fifteen (15) copies of the prepared testimony and exhibits the Protestant intends to present at the public hearing, and shall simultaneously mail a copy to the Company at the address set out above;

(13) On or before September 25, 1998, the Commission Staff shall file an original and fifteen (15) copies of the prepared testimony and exhibits Staff intends to present at the public hearing and shall serve a copy of each upon the Company and each Protestant;

(14) On or before October 9, 1998, the Company shall file an original and fifteen (15) copies of all testimony it expects to introduce in rebuttal to all direct prefiled testimony and exhibits. Additional rebuttal evidence may be presented without prefiling, provided it is in response to evidence which was not prefiled but elicited at the time of the hearing, and provided further, the need for additional rebuttal evidence is timely addressed by motion during the hearing and leave to present said evidence is granted by the Hearing Examiner. A copy of the prefiled rebuttal evidence shall be sent to the Company and to all other parties to the proceeding;

(15) The Company shall respond to written interrogatories within ten (10) days after receipt of same. Protestants shall respond to the written interrogatories of the Company, other Protestants and Staff within five (5) business days after receipt of same. Protestants shall provide the Company, other Protestants, and Staff with any work papers or documents used in preparation of their filed testimony promptly upon request. Except as modified above, discovery shall be in accordance with Part VI of the Rules;

(16) On or before May 15, 1998, the Company shall cause a copy of the following notice to be sent to each of its customers by first class mail, postage prepaid (bill inserts are acceptable):

NOTICE TO THE PUBLIC OF AN
INCREASE IN RATES BY
RESTON LAKE ANNE AIR CONDITIONING CORPORATION
CASE NO. PUE980139

TAKE NOTICE that on April 22, 1998, Reston Lake Anne Air Conditioning Corporation ("RELAC" or "the Company") filed an application requesting an increase in its rates effective for service rendered on and after May 22, 1998. In its application, RELAC states that its revisions reflect a sixty percent (60%) increase in metered service.

The Company's proposed rates are as follows:

NON-INTERRUPTIBLE RATES AND CHARGES
METERED SERVICE:

$8.96 per 1,000 gallons for the 1st 10,000 gallons used each billing period.

$4.48 per 1,000 gallons for each 1,000 gallons or part thereof used in excess of 10,000 gallons in each billing period.

The minimum charge per billing period for metered customers is $54.00 payable regardless of usage but credited against actual usage.

The Commission has declared the proposed rates interim and subject to refund, with interest, as of May 22, 1998, and has scheduled a hearing to begin at 10:00 a.m. on Thursday, October 22, 1998, in the Commission's Second Floor Courtroom in the Tyler Building, 1300 East Main Street, Richmond, Virginia, to receive evidence relevant to the Company's proposed rate increase.

While the total revenues that may be approved by the Commission is limited to the amount produced by the Company's proposed rates, PLEASE TAKE NOTICE that the individual rates and charges approved may be either higher than or lower than those proposed by the Company.

A copy of the Company's proposed rates and accompanying materials are available for public inspection during regular business hours at Reston Regional Library, 11925 Bowman Town Drive, Reston, Virginia 20190. A copy of the proposed rates is also available Monday through Friday, 8:15 a.m. to 5:00 p.m. at the Commission's Clerk's Office, Document Control Center, First Floor, 1300 East Main Street, Richmond, Virginia. On and after May 15, 1998, a copy of the Company's prefiled testimony and exhibits will be available for public inspection at the same locations.

Any person desiring to comment in writing on the application may do so by directing such comments to the Clerk of the Commission as provided below, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218 and refer to Case No. PUE980139. Any person desiring to make a statement at the public hearing, either for or against the application, need only appear in the Commission's courtroom at 9:45 a.m. on the day of the hearing and identify himself as a public witness to the Commission's bailiff.

Individuals with disabilities who require an accommodation to participate in the hearing should contact the Commission at 1-800-552-7945 (voice) or 1-804-371-9206 (TDD) at least seven days before the scheduled hearing date.

On or before August 3, 1998, any person desiring to participate as a Protestant, as defined in Rule 4:6 of the Commission's Rules or Practice and Procedure ("Rules") shall file an original and fifteen (15) copies of a Notice of Protest, as provided in Rule 5:16(a), with the Clerk of the Commission and serve a copy upon the Company. Service upon the Company shall be made on Douglas A. Cobb, President, Reston Lake Anne Air Conditioning Corporation, P.O. Box 128, Great Falls, Virginia 22066.

Any person who expects to submit evidence, cross-examine witnesses, or otherwise participate in the proceeding as a Protestant, pursuant to Rule 4:6, shall file on or before August 17, 1998, an original and fifteen (15) copies of a Protest with the Clerk of the State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218, referring to Case No. PUE980139 and shall simultaneously send a copy to the Company at the address provided in the foregoing paragraph.

The Protest shall set forth (i) a precise statement of the interest of the Protestant in the proceeding; (ii) a full and clear statement of the facts which the Protestant is prepared to prove by competent evidence; and (iii) a statement of the specific relief sought and the legal basis therefor. Any corporate entity or governmental unit that wishes to submit evidence, cross-examine witnesses, or otherwise participate as a Protestant must be represented by legal counsel in accordance with the requirements of Rule 4:8.

On or before August 17, 1998, each Protestant shall file an original and fifteen (15) copies of the prepared testimony and exhibits Protestant intends to present at the public hearing, and shall simultaneously mail a copy to the Company at the address provided above, and to other Protestants.

All written communications to the Commission regarding this case should be directed to the Clerk of the State Corporation Commission, P.O. Box 2118, Richmond, Virginia 23218, and should refer to Case No. PUE980139.

RESTON LAKE ANNE AIR CONDITIONING CORPORATION

(17) The Company forthwith serve a copy of this Order on the Chair of the Board of Supervisors of each county in which the Company offers service and/or the Mayor or Manager of every city and town (or equivalent officials in counties, cities, and towns having alternate forms of government) in which the Company offers service. Service shall be made by first class mail or delivery to the customary place of business or to the residence of the person served; and

(18) At the commencement of the hearing scheduled herein, the Company shall provide the Commission with proof of notice as required by paragraphs (16) and (17).

CASE NO. PUE980140
SEPTEMBER 25, 1998

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

Annual Informational Filing

ORDER

Virginia Electric and Power Company ("Virginia Power" or "Company") has filed a motion requesting a waiver of its obligation to file an Annual Informational Filing ("AIF") for calendar year 1997, citing the recent settlement of Case Nos. PUE960036 and PUE960296, which made substantial revisions to its rates and which implemented an alternative plan of regulation for the Company. The Company's motion notes that it will be filing an earnings test for calendar 1997 in the near future, as part of the settlement of the cases referenced just above. The Staff has advised that it does not object to the requested waiver, but wants Virginia Power to continue to file AIFs for subsequent calendar years.

Accordingly, IT IS HEREBY ORDERED that:

(1) The Motion for Waiver of Requirement to File Annual Informational Filing for 1997 is granted.

(2) Virginia Power shall file annual informational filings for calendar years 1998 and thereafter, unless otherwise ordered by the Commission.

(3) There being nothing further to come before the Commission, this matter is dismissed.

CASE NO. PUE980144
OCTOBER 8, 1998

APPLICATION OF
UNITED CITIES GAS COMPANY

For an Annual Information Filing

ORDER GRANTING MOTIONS

On September 23, 1998, the Commission Staff and United Cities Gas Company ("United Cities" or "the Company") filed a motion requesting that the Commission accept a stipulation ("Stipulation") reached by Staff and the Company in the above-captioned proceeding. The Company agreed to reduce its base rates, effective October 1, 1998, by an annual amount of $248,787 in settlement of all issues raised by the Company's Annual Informational Filing ("AIF") for the test year that ended December 31, 1997. The Company also agreed to include in future AIFs and rate applications certain accounting measures recommended by Staff.

Also on September 23, 1998, United Cities filed a motion requesting that the Commission allow the rates agreed upon in the Stipulation, reflecting the annual rate reduction of $248,787, to become effective on and after October 1, 1998.[1] The Company states that there are no other formal parties to the proceeding.

UPON CONSIDERATION of the foregoing, the Commission finds that the Stipulation should be accepted. We find that the revised tariff should be approved and the rates under the revised tariff are effective as of October 1, 1998. It follows that the Company's motion should be granted. Accordingly,

IT IS ORDERED that:

(1) The Stipulation shall be accepted and the proposed tariff implementing the rate reduction contained in the Stipulation shall be effective as of October 1, 1998.

(2) There being nothing further to be done herein, this matter shall be dismissed from the Commission's docket of active proceedings, and the papers filed herein made a part of the Commission's files for ended causes.

[1] On September 29, 1998, the Company filed a proposed revised tariff reflecting the rate reduction contained in the Stipulation.

CASE NO. PUE980222
MAY 22, 1998

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
VIRGINIA ELECTRIC AND POWER COMPANY,
Defendant

ORDER OF SETTLEMENT

Pursuant to § 56-265.30 of the Code of Virginia, the Virginia State Corporation Commission ("Commission") is charged with enforcing the provisions of the Underground Utility Damage Prevention Act, §§ 56-265.14 et seq. of the Code of Virginia. The Commission's Division of Energy Regulation ("Division"), after having conducted an investigation of this matter, alleges that:

(1) On or about August 29, 1997, Virginia Electric and Power Company ("the Company") damaged a three-quarter inch plastic gas service line operated by Washington Gas Light Company located at or near 10056 Loblolly Trail, Manassas, Virginia, while excavating;

(2) The Company caused such damage by failing to wait at least forty-eight hours before commencing work, in violation of § 56-265.17 B of the Code of Virginia;

(3) On or about December 3, 1997, the Company damaged a two inch plastic gas main line operated by Virginia Natural Gas, Inc. located at or near Lancer Street & Mallory Street, Hampton, Virginia, while excavating;

(4) The Company caused such damage by failing to notify the notification center for the area, in violation of § 56-265.17 A of the Code of Virginia;

(5) On or about September 4, 1997, the Company damaged a three-quarter inch plastic gas service line operated by Washington Gas Light Company located at or near 12864 Fair Heights Drive, Fairfax, Virginia, while excavating;

(6) On or about November 12, 1997, the Company damaged a one-half inch plastic gas service line operated by Washington Gas Light Company located at or near 12231 Conveyor Court, Gainesville, Virginia, while excavating;

(7) On or about November 18, 1997, the Company damaged a three-quarter inch plastic gas service line operated by Washington Gas Light Company located at or near 10328 Regency Station Drive, Fairfax, Virginia, while excavating;

(8) On or about December 16, 1997, the Company damaged a three-quarter inch plastic gas service line operated by Washington Gas Light Company located at or near 8310 Periwinkle Place, Lorton, Virginia, while excavating;

(9) On or about January 2, 1998, the Company damaged a three-quarter inch plastic gas service line operated by Washington Gas Light Company located at or near Lot 75, Hunterbrook Drive, Woodbridge, Virginia, while excavating; and

(10) The Company caused such damages by failing to take all reasonable steps to protect the underground utility lines, in violation of § 56-265.24 A of the Code of Virginia.

As evidenced in the attached Admission and Consent document, the Company neither admits nor denies these allegations, but admits the Commission's jurisdiction and authority to enter this Order. As an offer to settle all matters before the Commission arising from the Division's allegations made herein, the Company represents and undertakes that:

(1) The Company will pay a civil penalty to the Commonwealth of Virginia in the amount of $5,200 to be paid contemporaneously with the entry of this Order. This payment will be made by cashier's check or money order, payable to the Treasurer of Virginia and directed to the attention of the Director of the Division of Energy Regulation.

(2) Any fines paid in accordance with this Order shall not be recovered in the Company's rates as part of the cost of service. Any such fines shall be booked in Uniform System of Account No. 426.3. The Company shall verify its booking by filing a copy of the trial balance showing this entry with the Division of Public Utility Accounting.

The Commission, being advised by the Staff and finding sufficient basis herein for the entry of this Order, hereby accepts this settlement. Accordingly,

IT IS ORDERED THAT:

(1) Pursuant to the authority granted the Commission by § 12.1-15 of the Code of Virginia, the offer of settlement made by the Company be, and it hereby is, accepted.

(2) The sum of $5,200 tendered contemporaneously with the entry of this Order is accepted.

(3) This case is dismissed and the papers herein be placed in the file for ended causes.

CASE NO. PUE980223
MAY 18, 1998

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
WASHINGTON GAS LIGHT COMPANY,
Defendant

ORDER OF SETTLEMENT

Pursuant to § 56-265.30 of the Code of Virginia, the Virginia State Corporation Commission ("Commission") is charged with enforcing the provisions of the Underground Utility Damage Prevention Act, §§ 56-265.14 et seq. of the Code of Virginia. The Commission's Division of Energy Regulation ("Division"), after having conducted an investigation of this matter, alleges that:

(1) On or about October 27, 1997, R. B. Hinkle Construction, Inc. damaged a one-half inch plastic gas service line operated by Washington Gas Light Company ("the Company") located at or near 11304 Hearth Court, Fairfax, Virginia, while excavating;

(2) On or about October 28, 1997, William A. Hazel, Inc. damaged a one-half inch plastic gas service line operated by the Company located at or near 20897 Great Falls Forest Drive, South Riding, Virginia, while excavating;

(3) On or about October 28, 1997, City of Falls Church damaged a one-half inch plastic gas service line operated by the Company located at or near 7401 Paxton Road, Falls Church, Virginia, while excavating;

(4) On or about November 12, 1997, Capco Construction Company damaged a two inch plastic gas main line operated by the Company located at or near 9335 Lee Highway, Fairfax, Virginia, while excavating;

(5) On or about November 28, 1997, Capco Construction Company damaged a one-quarter inch plastic gas service line operated by the Company located at or near 8411 Frost Way, Annandale, Virginia, while excavating;

(6) On or about February 14, 1998, Flippo Construction Company, Inc. damaged a one and one-quarter inch plastic gas service line operated by the Company located at or near 1827 King Street, Alexandria, Virginia, while excavating;

(7) On or about February 19, 1998, L. W. Jager Co., Inc. damaged a three-quarter inch plastic gas service line operated by the Company located at or near 10400 Towlston Road, Fairfax, Virginia, while excavating;

(8) On or about February 26, 1998, R. L. Rider & Co. damaged a one-half inch plastic gas service line operated by the Company located at or near 6440 Divine Street, Fairfax, Virginia, while excavating; and

(9) The Company caused such damages by failing to mark the approximate horizontal location of the lines on the ground to within two feet of either side of the underground utility lines, in violation of § 56-265.19 A of the Code of Virginia.

As evidenced in the attached Admission and Consent document, the Company neither admits nor denies these allegations, but admits the Commission's jurisdiction and authority to enter this Order. As an offer to settle all matters before the Commission arising from the Division's allegations made herein, the Company represents and undertakes that:

(1) The Company will pay a civil penalty to the Commonwealth of Virginia in the amount of $6.050 to be paid contemporaneously with the entry of this Order. This payment will be made by cashier's check or money order, payable to the Treasurer of Virginia and directed to the attention of the Director of the Division of Energy Regulation.

(2) Any fines paid in accordance with this Order shall not be recovered in the Company's rates as part of the cost of service. Any such fines shall be booked in Uniform System of Account No. 426.3. The Company shall verify its booking by filing a copy of the trial balance showing this entry with the Division of Public Utility Accounting.

The Commission, being advised by the Staff and finding sufficient basis herein for the entry of this Order, hereby accepts this settlement. Accordingly,

IT IS ORDERED THAT:

(1) Pursuant to the authority granted the Commission by § 12.1-15 of the Code of Virginia, the offer of settlement made by the Company be, and it hereby is, accepted.

(2) The sum of $6,050 tendered contemporaneously with the entry of this Order is accepted.

(3) This case is dismissed and the papers herein be placed in the file for ended causes.

CASE NO. PUE980232
MAY 22, 1998

PETITION OF
E.I. DU PONT DE NEMOURS AND COMPANY,
CONOCO, INC.
and
AEP RESOURCES, INC.

For declaratory order

ORDER ALLOWING WITHDRAWAL OF PETITION

On April 24, 1998, E.I. du Pont de Nemours ("Du Pont"), Conoco, Inc. ("Conoco") and AEP Resources, Inc. ("Resources") filed a Petition for Declaratory Order asking the Commission to declare that certain joint ventures among Du Pont, Conoco and Resources would not be public utilities under Virginia law and that the participation of Du Pont, Conoco and Resources in the joint ventures would not render any participant a public utility under Virginia law.

On May 18, 1998, Du Pont and Conoco announced that they have determined to stop activities with Resources relating to the formation of the joint ventures. In light of the announcement, Du Pont, Conoco and Resources move for an order allowing withdrawal of the Petition for Declaratory Order and closing this matter on the Commission's docket.

NOW THEREFORE the Commission finds that the motion to withdraw the Petition should be, and it is hereby, GRANTED.

IT IS ORDERED THAT Case No. PUE980232 be closed and the papers therein be placed in the Commission's files for ended causes.

CASE NO. PUE980233
JULY 17, 1998

NOTIFICATION OF
EQUITABLE RESOURCES ENERGY COMPANY

To furnish gas service to P.C. Virginia Synthetic Fuel #1, L.L.C. pursuant to § 56-265.4:5 of the Code of Virginia

DISMISSAL ORDER

On May 7, 1998, Equitable Resources Energy Company ("EREC" or "the Company") notified the State Corporation Commission ("Commission") pursuant to § 56-265.4:5 of its plans to furnish gas service to P.C. Virginia Synthetic Fuel #1, L.L.C. ("PCVA"). On May 14, 1998, EREC filed a supplement to its notification documents.

According to its notification documents, EREC is a West Virginia corporation engaged in the exploration, production and gathering of natural gas. PCVA is a Delaware limited liability company engaged in the manufacture of coal-based synthetic fuels and is constructing a synthetic fuels plant in the vicinity of Blackwood, Virginia in Wise County.

On May 13, 1998, the Staff of the State Corporation Commission filed a memorandum advising that PCVA's facilities were not located within a territory for which a certificate of public convenience and necessity had been granted and that, as of the time of the receipt of EREC's notification, PCVA's facilities were not located within any area, territory, or jurisdiction served by a municipal corporation that provided gas distribution service as of January 1, 1992.

On May 14, 1998, the Commission entered an order docketing the proceeding and notifying all public utilities providing gas service in the Commonwealth of EREC's plans to furnish gas service within the area identified in the Company's notification documents. The Commission also found that PCVA's facilities were not located within a territory for which a certificate of public convenience and necessity had been granted, and that, as of the time of the Commission's receipt of EREC's notification, PCVA's facilities were not located within any area, territory, or jurisdiction served by a municipal corporation that provided gas distribution service as of January 1, 1992.

Sixty days have now elapsed since the entry of the May 14, 1998 Order Docketing Proceeding and Providing Notice, and no jurisdictional public utility has filed an application to provide natural gas service within the area identified in the documents filed as part of the captioned notification.

NOW, upon consideration of the foregoing, the Commission is of the opinion and finds that EREC has satisfied the requirements §§ 56-265.1(b)(4) and –265.4:5 of the Code of Virginia; that nothing further remains to be done in this proceeding; and that this matter should be dismissed.

Accordingly, IT IS ORDERED that the captioned notification shall be dismissed from the Commission's docket of active proceedings, and the papers filed herein be made a part of the Commission's file for ended causes.

CASE NO. PUE980234
AUGUST 7, 1998

APPLICATION OF
THE POTOMAC EDISON COMPANY, D/B/A ALLEGHENY POWER

For an Annual Informational Filing

ORDER GRANTING MOTION TO ACCEPT AGREEMENT OF STIPULATION AND SETTLEMENT

In a Motion filed on August 7, 1998, the Commission Staff, by counsel, requested that the Commission accept the proposed Agreement of Stipulation and Settlement ("the Agreement") attached thereto. Staff represented that it was authorized to state that the Company wished to join in its Motion.

In support of its Motion, Staff represented that the Agreement is consistent with the recommendations detailed in a Staff Report also filed on August 7, 1998. In its Report, Staff noted that The Potomac Edison Company, d/b/a Allegheny Power ("Allegheny" or "the Company") proposed to reduce its Virginia jurisdictional rates by $2.5 million effective for service rendered on and after September 1, 1998, and that the $2.5 million reduction in base rates, in conjunction with the write-off of approximately $500.000 in Virginia jurisdictional unamortized losses on reacquired debt will bring Allegheny's return on equity within its currently authorized return on equity range.

NOW THE COMMISSION, having considered the Company's application, Staff's Report, and August 7, 1998 Motion, is of the opinion and finds that the terms of the Agreement attached to that Motion are in the public interest.

Accordingly, IT IS ORDERED THAT:

(1) Allegheny shall reduce its base rates in Virginia by $2.5 million annually, effective for service rendered on and after September 1, 1998.

(2) Allegheny has recovered its remaining Virginia jurisdictional retail organizational restructuring (re-engineering) costs, and such costs shall no longer be recognized for future ratemaking purposes.

(3) Allegheny shall write off a Virginia jurisdictional level of unamortized losses on reacquired debt such that after the write-off of this regulatory asset and the $2.5 million reduction in base rates, the resulting return on equity for the Company's Virginia jurisdictional operations will be 11.40% for the twelve months ending March 31, 1998.

(4) Allegheny shall file in this docket by no later than March 31, 1999, (i) a complete Annual Informational Filing ("AIF") conforming to the requirements of the Rules Governing Utility Rate Increase Applications and Annual Informational Filings adopted in Case No. PUE850022, using as its test year the twelve months ended December 31, 1998, and (ii) an earnings test for the twelve months ending December 31, 1998.

(5) If the AIF to be filed on March 31, 1999, shows Allegheny to be earning on a fully adjusted basis at a level for its Virginia retail jurisdictional operations above the Company's currently authorized return on equity range of 11.0% to 12.0%, the Company's Virginia base retail revenues shall be considered interim and subject to refund for service rendered on and after April 1, 1999.

(6) The decrease in the Company's annual revenues shall be distributed among Allegheny's rate schedules as provided on Exhibit 3 to the Agreement of Stipulation and Settlement.

(7) This docket shall remain open to receive Allegheny's March 31, 1999 AIF and supporting documents.

CASE NO. PUE980318
AUGUST 19, 1998

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
VIRGINIA NATURAL GAS, INC.,
Defendant

ORDER OF SETTLEMENT

Pursuant to § 56-265.30 of the Code of Virginia, the Virginia State Corporation Commission ("Commission") is charged with enforcing the provisions of the Underground Utility Damage Prevention Act, §§ 56-265.14 et seq. of the Code of Virginia. The Commission's Division of Energy Regulation ("Division"), after having conducted an investigation of this matter, alleges that:

(1) On or about November 5, 1997, Stackhouse, Inc. damaged a three-quarter inch copper gas service line operated by Virginia Natural Gas, Inc. ("the Company") located at or near 508-24½ Street, Virginia Beach, Virginia, while excavating;

(2) On or about December 4, 1997, Nealey, Inc. damaged a three-quarter inch steel gas service line operated by the Company located at or near 2413 Oak Avenue, Newport News, Virginia, while excavating;

(3) On or about January 12, 1998, Stackhouse, Inc. damaged a one and one-quarter inch plastic gas service line operated by the Company located at or near 4855 Brookside Court, Norfolk, Virginia, while excavating;

(4) On or about January 14, 1998, Pasco, Inc. damaged a one and one-quarter inch steel gas service line operated by the Company located at or near 7701 North Shore Road, Norfolk, Virginia, while excavating;

(5) On or about February 3, 1998, W. E. (Billy) Curling Welding Service, Inc. damaged a three-quarter inch plastic gas service line operated by the Company located at or near 1113 Gunston Road, Virginia Beach, Virginia, while excavating;

(6) On or about February 18, 1998, Mundy's Excavating Corporation damaged a one-half inch plastic gas service line operated by the Company located at or near 9025 Forest Haze Court, Mechanicsville, Virginia, while excavating;

(7) On or about March 6, 1998, Nealey Inc. damaged a one inch steel gas service line operated by the Company located at or near 2709 Colonial Avenue, Norfolk, Virginia, while excavating;

(8) On or about March 6, 1998, Henry S. Branscome, Inc. damaged a one and one-quarter inch steel gas service line operated by the Company located at or near 9019 Chesapeake Boulevard, Norfolk, Virginia, while excavating;

(9) On or about March 16, 1998, Nealey, Inc. damaged a one inch steel gas service line operated by the Company located at or near 3800 East Ocean View Avenue, Norfolk, Virginia, while excavating;

(10) On or about March 16, 1998, Kevcor Contracting Corporation damaged a two inch plastic gas main line operated by the Company located at or near 1401 Hickman Drive, Virginia Beach, Virginia, while excavating;

(11) On or about March 20, 1998, Hubbard Telephone Contractors, Inc. damaged a three-quarter inch plastic gas service line operated by the Company located at or near 2128 Bierce Lane, Virginia Beach, Virginia, while excavating; and

(12) The Company caused such damages by failing to mark the approximate horizontal location of the lines on the ground to within two feet of either side of the underground utility lines, in violation of § 56-265.19 A of the Code of Virginia.

As evidenced in the attached Admission and Consent document, the Company neither admits nor denies these allegations, but admits the Commission's jurisdiction and authority to enter this Order. As an offer to settle all matters before the Commission arising from the Division's allegations made herein, the Company represents and undertakes that:

(1) The Company will pay a civil penalty to the Commonwealth of Virginia in the amount of $8,300 to be paid contemporaneously with the entry of this Order. This payment will be made by cashier's check or money order, payable to the Treasurer of Virginia and directed to the attention of the Director of the Division of Energy Regulation.

(2) Any fines paid in accordance with this Order shall not be recovered in the Company's rates as part of the cost of service. Any such fines shall be booked in Uniform System of Account No. 426.3. The Company shall verify its booking by filing a copy of the trial balance showing this entry with the Division of Public Utility Accounting.

The Commission, being advised by the Staff and finding sufficient basis herein for the entry of this Order, hereby accepts this settlement. Accordingly,

IT IS ORDERED THAT:

(1) Pursuant to the authority granted the Commission by § 12.1-15 of the Code of Virginia, the offer of settlement made by the Company be, and it hereby is, accepted.

(2) The sum of $8,300 tendered contemporaneously with the entry of this Order is accepted.

(3) This case is dismissed and the papers herein be placed in the file for ended causes.

CASE NO. PUE980320
AUGUST 14, 1998

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
BYERS ENGINEERING COMPANY,
Defendant

ORDER OF SETTLEMENT

Pursuant to § 56-265.30 of the Code of Virginia, the Virginia State Corporation Commission ("Commission") is charged with enforcing the provisions of the Underground Utility Damage Prevention Act, §§ 56-265.14 et seq. of the Code of Virginia. The Commission's Division of Energy Regulation ("Division"), after having conducted an investigation of this matter, alleges that:

(1) On or about August 15, 1996, Stackhouse, Inc., damaged a two inch plastic gas main line operated by Washington Gas Light Company located at or near Knoll Drive & Knoll Court, Dale City, Virginia, while excavating;

(2) On or about March 25, 1997, Atlantic Coast Contractors, Inc., damaged a three-quarter inch plastic gas service line operated by Washington Gas Light Company located at or near 9558 and 9556 Barlow Road, Fort Belvoir, Virginia, while excavating;

(3) On or about August 27, 1997, Lewis Bowman Excavating damaged a three-quarter inch plastic gas service line operated by Washington Gas Light Company located at or near 8907 Moat Crossing Drive, Gainesville, Virginia, while excavating;

(4) On or about November 17, 1997, Hubbard Telephone Contractors, Inc., damaged a one-quarter inch plastic gas other line operated by Washington Gas Light Company located at or near 14519 Delmar Drive, Dale City, Virginia, while excavating;

(5) On or about November 20, 1997, Monumental Landscaping and Construction Services, Inc., damaged a one-half inch plastic gas service line operated by Washington Gas Light Company located at or near 2203 Aryness Drive, Fairfax, Virginia, while excavating;

(6) On or about February 2, 1998, D. A. Foster Company damaged a two inch plastic gas main line operated by Washington Gas Light Company located at or near 1178 North Vernon Street, Arlington, Virginia, while excavating;

(7) On or about February 9, 1998, C L S Construction damaged a one-half inch plastic gas service line operated by Washington Gas Light Company located at or near 14735 Dillon Avenue, Dale City, Virginia, while excavating;

(8) On or about February 24, 1998, R. B. Hinkle Construction, Inc., damaged a one-half inch plastic gas service line operated by Washington Gas Light Company located at or near 2269 Compass Point Lane, Reston, Virginia, while excavating;

(9) On or about March 3, 1998, Phillip C. Clarke Electrical Contractor, Inc., damaged a six inch plastic gas main line operated by Washington Gas Light Company located at or near Prince William Parkway and Galansky Boulevard, Woodbridge, Virginia, while excavating;

(10) On or about March 3, 1998, Granja Contracting, Inc., damaged a one-half inch plastic gas service line operated by Washington Gas Light Company located at or near 2614 11th Street, South, Arlington, Virginia, while excavating; and

(11) Byers Engineering Company ("the Company") caused such damages by failing to mark the approximate horizontal location of the lines on the ground to within two feet of either side of the underground utility lines, in violation of § 56-265.19 A of the Code of Virginia.

As evidenced in the attached Admission and Consent document, the Company neither admits nor denies these allegations, but admits the Commission's jurisdiction and authority to enter this Order. As an offer to settle all matters before the Commission arising from the Division's allegations made herein, the Company represents and undertakes that it will pay a civil penalty to the Commonwealth of Virginia in the amount of $7,500 to be paid contemporaneously with the entry of this Order. This payment will be made by cashier's check or money order, payable to the Treasurer of Virginia and directed to the attention of the Director of the Division of Energy Regulation.

The Commission, being advised by the Staff and finding sufficient basis herein for the entry of this Order, hereby accepts this settlement. Accordingly,

IT IS ORDERED THAT:

(1) Pursuant to the authority granted the Commission by § 12.1-15 of the Code of Virginia, the offer of settlement made by the Company be, and it hereby is, accepted.

(2) The sum of $7,500 tendered contemporaneously with the entry of this Order is accepted.

(3) This case is dismissed and the papers herein be placed in the file for ended causes.

CASE NO. PUE980324
SEPTEMBER 9, 1998

APPLICATION OF
DELMARVA POWER & LIGHT COMPANY

For a decrease in its electric fuel rate pursuant to § 56-249.6 of the Code of Virginia

ORDER ESTABLISHING 1998-99 FUEL FACTOR

On May 27, 1998, Delmarva Power & Light Company ("Delmarva" or "Company") filed an application, written testimony, and exhibits in support of a reduction in its currently operative fuel factor from 2.013¢/kWh to 1.841¢/kWh, and made a proposal for settlement of the net replacement power costs incurred as a result of the extended outages of the Salem nuclear units which began in 1995. The Company also proposed a distribution of the settlement proceeds from a lawsuit against the operator of the Salem units claiming mismanagement of the units. These issues had remained open for a number of fuel factor proceedings due to the ongoing nature of the extended outages.

By Order dated June 8, 1998, the Commission established a schedule for hearing and for the filing of testimonies and provided an opportunity for any interested person to participate in the hearing as a Protestant. The Commission ordered the Company's proposed fuel factor to go into effect, on an interim basis, beginning with the billing month of July 1998, without proration. No notices of protest were received.

On August 20, 1998, Staff filed testimony wherein it recommended that a total fuel factor of 1.783¢/kWh be placed into effect with the billing month of October 1998, without proration. The Staff recommended acceptance of the Company's proposal to credit the Virginia deferred fuel account with $675,161 in net replacement power costs relative to the 1995 outages, but recommended against the Company's proposal to net the external litigation expenses of $4,433 against the $110,606 in proceeds from the lawsuit settlement. In addition, the Staff recommended that the Company credit $10,140 in net replacement power costs for a 58-day outage at Salem Unit 1 which occurred in 1994.

The Company accepted Staff's recommendations, and the Staff and Company stipulated all issues in this matter.

The hearing was held on September 3, 1998. At the hearing, it was noted that the time series procedures used by the Company to forecast short-term natural gas and oil prices had been examined, and the Company had provided Staff with the information it had previously requested regarding further explanations and justification of these procedures. Also, the Company tendered its proof of service at the commencement of the hearing.

Upon consideration of the record in this case, the Commission is of the opinion that Staff's proposed fuel factor of 1.783¢/kWh be placed into effect with the billing month of October 1998, without proration. Approval of this factor, however, is not construed as approval of the Company's actual fuel expenses. For each calendar year, the Commission's Staff conducts an audit and investigation which addresses, among other things, the appropriateness and reasonableness of the Company's booked fuel expenses. Staff's results are documented in an Annual Report ("Staff's Annual Report"). A copy of Staff's Annual Report is sent to the Company and to each party who participated in the Company's last fuel factor proceeding, all of whom are provided with an opportunity to comment and request a hearing on the report.

Based on Staff's Annual Report, and any comments or hearing thereon, the Commission enters an Order entitled "Final Audit for Twelve-Month Period Ending December 31, 19__, Fuel Cost-Recovery Position," hereinafter referred to as "Final Audit Order." Notwithstanding any findings made by the Commission in an earlier order establishing the Company's fuel factor based on estimates of future expenses and unaudited booked expenses, the Final Audit Order will be the final determination of not only what are in fact allowable fuel expenses and credits, but also the Company's over or underrecovery position as of the end of the audit period. Should the Commission find in its Final Audit Order (1) that any component of the Company's actual fuel expenses or credits has been inappropriately included or excluded, or (2) that the Company has failed to make every reasonable effort to minimize fuel costs or has made decisions resulting in unreasonable fuel costs, the Company's recovery position will be adjusted. This adjustment will be reflected in the recovery position at the time of the Company's next fuel factor proceeding. We reiterate that no finding in this order is final, as this matter is continued generally, pending Staff's audit of actual fuel expenses. Accordingly,

IT IS ORDERED THAT:

(1) A total fuel factor of 1.783¢/kWh to be placed into effect with the billing month of October 1998, without proration.

(2) The netting of the external litigation expenses against the settlement proceeds in the amount of $4,433, derived from the Company's lawsuit against Public Service Electric and Gas in the matter of the extended Salem outages, is disallowed.

(3) A total of $795,907 should be credited to the Virginia deferred fuel account, comprised of $10,140 in net replacement power cost for the 58-day outage at Salem Unit 1 beginning on April 7, 1994, $675,161 in net replacement power costs and $110,606 in lawsuit settlement proceeds for the extended outages at Salem Units 1 and 2, shut down on May 17 and June 7, 1995, respectively.

(4) Delmarva implement Staff's booking recommendations as outlined in Part B, pages 4-5 of Staff witness DeBruhl's prefiled testimony.

(5) This case shall be continued generally.

CASE NO. PUE980334
NOVEMBER 25, 1998

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
SANVILLE UTILITIES CORP.

FINAL ORDER

On July 8, 1998, the Staff of the State Corporation Commission ("Staff") filed a Motion Requesting Issuance of a Rule to Show Cause requiring Sanville Utilities Corporation ("Sanville" or "the Company") to show cause, if any there may be, why it should not be found in violation of § 56-265.13:4 of the Code of Virginia ("Code"). In its Motion, Staff requested that the Commission, pursuant to its authority under §§ 56-35 and 56-265.6 of the Code, revoke, alter, or amend the Company's certificate to provide sewer service unless the Company agrees to: (1) replace the entire section of sewer pipe along Saddle Ridge Road; (2) conduct a thorough study of the entire sewer system to determine what other portions of the system should be repaired and/or replaced, and (3) provide a voice mail or similar telephone answering system or service to ensure receipt of and response to inquiries from customers and regulators. Staff further requested such other relief as the Commission finds necessary, just and reasonable to protect the public interest.

On July 13, 1998, the Commission issued a Rule to Show Cause against the Company directing it to appear on September 16, 1998, in the Commission's courtroom to show cause, if any there may be, why the Company should not be found in violation of § 56-265.13:4 of the Code. The Order also established a procedural schedule for the filing of a responsive pleading and appointed a Hearing Examiner to conduct further proceedings.

On August 17, 1998, the Company filed its response and requested that the hearing be cancelled. In its response, Sanville recited specific problems and disclaimed responsibility. The Company also claimed that it lacks the funds to make the requested improvements and advised that the Public Service Authority of Henry County, Virginia ("PSA") is considering taking over the sewer system and treatment plant. Staff objected to Sanville's request to cancel the hearing.

On September 9, 1998, Sanville filed a request for a continuance, alleging that Sanville's president, Richard M. Anthony, had been summoned to appear in the General District Court in Martinsville, Virginia, on September 16, 1998, and that the General District Court case could not be continued because the judgment creditor's attorney in that case was out of town. Staff did not object to a continuance of several days to avoid this conflict.

On September 11, 1998, the Hearing Examiner denied Sanville's request to cancel the hearing but granted the Company's request for a short continuance to avoid Mr. Anthony's conflict with his appearance in the General District Court in Martinsville. The hearing was continued until September 22, 1998.

Pursuant to these Orders, the hearing was convened on September 22, 1998, before Chief Hearing Examiner Deborah V. Ellenberg. Mr. Anthony appeared pro se. M. Renae Carter, Esquire, and Don Mueller, Esquire, appeared on behalf of the Commission's Staff.

At the hearing Staff offered the testimony of Gregory L. Abbott, Utilities Specialist in the Commission's Division of Energy Regulation; Tim Baker, Environmental Health Manager with the West Piedmont Health District, Virginia Department of Health ("VDH"); and Dr. James F. Smith, Senior Enforcement Specialist with the Virginia Department of Environmental Quality ("DEQ"). Mr. Anthony testified in his own behalf.

Mr. Abbott testified that Staff's investigation began in June 1998, after Staff received a complaint about sewage backups into a customer's home and yard. He noted that, during a site visit to the Company's facilities, six customers voiced additional complaints about the sewer system. Mr. Abbott also testified about a sewage backup at the Rhodes' property on Saddle Ridge Road, in which raw sewage was allowed to leak onto the ground for two months. Mr. Abbott concluded that the Company had failed to provide reasonably adequate sewer services.

Mr. Baker testified that incidents of raw or partially treated sewage leaking into yards and backing up into homes is a recurring public health hazard with the Sanville sewer system and noted seventeen specific instances of sewage overflow or backup in the Sanville system between November 1995 and June 1998. Additionally, Mr. Baker sponsored a complaint record detailing VDH actions relating to the two month long sewage backup at the Rhodes' home. Specifically, Mr. Baker testified that VDH issued to Sanville a notice of violation on May 6, 1998, citing septic system effluent leaking onto the ground and directing the Company to cease such discharges immediately. On June 10, VDH again notified Sanville to report that two unsuccessful attempts had been made to unclog the sewer line on Saddle Ridge Road and that these attempts had only created more problems for nearby residents. On June 18, 1998, the line was unstopped.

Dr. Smith testified that Sanville had 995 DEQ violations of permit limits and statutes between April 1, 1992, and March 31, 1998. Additionally, Dr. Smith testified about a DEQ notice of violation issued July 11, 1998 ("NOV"), citing still more violations discovered during inspections conducted on March 31, and June 23, 1998. The NOV noted that there was improper operation and maintenance of the sewerage plant. The NOV also stated that the unchlorinated discharge into Blackberry Creek and sewage seeping through the ground on the Rhodes' property were unreported, unauthorized, and continuing violations.

Dr. Smith also testified that the PSA was considering taking over the Sanville treatment plant and sewerage system. He sponsored a Preliminary Engineering Report prepared for the PSA discussing the sewer system's poor condition. The Report states that nearly all the sewer lines are made of terra cotta material and that some of these lines have had blockage due to intrusion of tree roots. The Report recommends the replacement of the existing treatment facility and of approximately 6400 linear feet of 8" sewer lines. The Report concludes that existing deficiencies should be corrected before the PSA can take over the system. Finally, Dr. Smith sponsored the affidavit of Sidney A. Clower, County Administrator and General Manager of the PSA, who advised that, upon approval, the PSA would accept the sewer system as of January 1, 1999, if Mr. Anthony would retain responsibility for all the sewer system's liens, debts and encumbrances.

Mr. Anthony testified in his own behalf. He observed that numerous incidents, including the two month long backup at the Rhodes' property, were not his fault. He advised that the Rhodes had not paid their bill and that he had allowed the progressive intrusion of tree roots to "disconnect" service in accordance with his tariff. He noted that other incidents were the results of vandalism. Mr. Anthony also testified that the Company did not have the money to pay for the repairs Staff is requesting and that, although he does not want to continue operating the system, he cannot accept the conditions suggested by the PSA. He noted that, under the proposed PSA agreement, the debts, liens and encumbrances he would retain would approximate $100,000.

On October 20, 1998, the Chief Hearing Examiner filed her report. Based on the evidence in the proceeding, the Examiner found:

(1) That Sanville is a small certificated public service corporation[1] providing sewer service to approximately 162 customers in Henry County, Virginia;

(2) That Sanville is subject to the Small Water or Sewer Public Utility Act ("SWSA");

(3) That Sanville is required to provide its customers with reasonably adequate services and facilities pursuant to the SWSA;

(4) That the majority of Sanville's sewerage collection system was installed in the 1970s and constructed of terra cotta material, which over time has fallen into disrepair because of vandalism, line breaks, and tree roots;

(5) That Sanville's customers have experienced numerous overflows into their homes and into their yards which on at least one occasion was left uncorrected for two months;

(6) That these sewage overflows have threatened the health of Sanville's customers;

(7) That the Sanville sewage plant threatens the public health because raw sewage is discharged into Blackberry Creek during flood events, adversely affecting Virginia residents downstream;

(8) That Sanville has received numerous notices of violations from the Virginia Department of Health for allowing untreated sewage effluent to leak onto the ground;

(9) That Sanville also has received numerous notices of violation from DEQ;

(10) That the conditions of the Sanville sewer system and its effects on both customers and other members of the public represent a serious and continuous failure to provide reasonably adequate services and facilities in violation of § 56-265.13:4;

(11) That Sanville's failure to comply with all of the Virginia Department of Health and Virginia Department of Environmental Quality regulations constitutes failure to provide reasonably adequate services and facilities in violation of § 56-265.13:4;

(12) That Sanville has not brought its system into compliance with the Virginia Department of Health regulations, has failed to file required reports, and thus has violated the Commission's Final Order dated December 16, 1987, in Case No. PUE860070;

(13) That Sanville should be directed to replace the entire section of sewer pipe along Saddle Ridge Road;

(14) That Sanville should be directed to conduct a thorough study of the entire sewer system to determine what other portions of the system should be repaired and/or replaced;

(15) That the Henry County Public Service Authority has offered to assume responsibility for the Sanville sewage system, and is presently in negotiations with Sanville; and

(16) That if Sanville provides the Commission with proof of the imminent takeover of the system by the Henry County PSA, Sanville should be relieved of the obligations to replace portions of the system and conduct a study to evaluate other necessary repairs or replacements.

The Hearing Examiner recommended that the Commission enter an order that directs Sanville to replace the entire section of sewer pipe along Saddle Ridge Road within six months of the final order in this case; that directs Sanville to conduct a thorough study of the entire sewer system to determine what other portions of the system should be repaired and/or replaced and report the findings of that study to the Division of Energy Regulation within one (1)

[1] On November 2, 1998, Sanville's corporate status was terminated by operation of law pursuant to § 13.1-752 of the Code for failure to pay its annual registration fees.

year of the final order in this case; that requires Sanville to refrain from discontinuing service for nonpayment of bills by allowing tree roots to gradually terminate service; and that imposes fines and penalties on Sanville in the amount of $1,000 for violation of its statutory obligation to provide reasonably adequate services and facilities pursuant to § 56-265.13:4 and for violation of the Commission's Final Order in Case No. PUE860070. The Hearing Examiner further recommended that these obligations, fines, and penalties be forgiven if the requisite repairs are made to the system or if proof that the system will be transferred to the PSA is filed within six (6) months of the final order. No exceptions or comments to the Chief Hearing Examiner's Report were filed by either party.

NOW THE COMMISSION, having considered the record and the Examiner's Report, is of the opinion and finds that Sanville Utilities Corporation has failed to meet its obligations under § 56-265.13:4 of the Code by failing to provide reasonably adequate sewer services and facilities and that these deficiencies must be corrected. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) The Chief Hearing Examiner's Report dated October 19, 1998, hereby is adopted.

(2) Within six months from the date of this Order, the Company shall replace the entire section of sewer pipe along Saddle Ridge Road.

(3) Starting December 30, 1998, and on the last business day of every month for the next six months, the Company shall file a report with the Commission's Division of Energy Regulation detailing its progress in replacing the section of sewer pipe along Saddle Ridge Road and discussing the status of any negotiations with the Henry County PSA to take over the sewer system.

(4) The Company shall conduct a thorough study of the entire sewer system to determine what other portions of the system should be repaired and/or replaced and shall report the findings of this study to the Commission's Division of Energy Regulation within one (1) year of the date of this Order.

(5) The Company shall refrain from discontinuing service for nonpayment of bills by allowing tree roots gradually to terminate service.

(6) Pursuant to § 56-265.6 of the Code, the Company shall pay fines and penalties of $1,000 for violation of its statutory obligation to provide reasonably adequate services and facilities pursuant to § 56-265.13:4, and for violation of the Commission's Final Order dated December 16, 1987, in Case No. PUE860070.

(7) The above mentioned fines and penalties shall be forgiven if the requisite repairs are made upon the Company's sewer system or if the Company provides proof, within six months of the date of this Order, that the sewer system will be transferred to the PSA.

(8) If the Company fails to file any reports or pay any fines and penalties as required by this Order, it shall be subject to fines not exceeding $1000 per offense, with each day's continuance of such failure to be considered a separate offense, as provided by § 12.1-33 of the Code.

CASE NO. PUE980335
JULY 20, 1998

APPLICATION OF
APPALACHIAN POWER COMPANY

For approval of tariff rider

ORDER APPROVING TARIFF

Appalachian Power Company, d/b/a/ AEP-Virginia ("AEP-V" or "Company") has filed, on June 26, 1998, an application for approval of its RIDER TEC (Temporary Emergency Curtailable Service). On July 15, 1998, AEP-V filed modifications to the original tariff. The Commission will approve the revised RIDER TEC for immediate implementation, subject to the following conditions. First, our approval of this tariff rider carries with it no implication for ratemaking purposes. Any costs incurred, or revenues received, as a result of operation of this tariff rider will be considered in the Company's next Annual Informational Filing, fuel factor filing, or other filed rate proceeding. The Company should understand that it implements the proposed tariff and incurs expenses thereunder at its risk.

Further, the Commission is concerned that conditions have come to exist that necessitate the Company to make an emergency filing of this tariff rider. The Company identifies its tariff rider as a way to "address a unique and temporary capacity situation which has arisen in the Midwestern United States." The Application further states that a "combination of unrelated outages has made nearly 12,000 MWs of generating capacity in the United States and Canada unavailable during the Summer of 1998." We direct our staff to investigate this capacity shortage situation and report its findings promptly and we admonish the Company to cooperate fully with the Staff's inquiries.

Accordingly, IT IS ORDERED that:

(1) This matter is docketed and assigned Case No. PUE980335;

(2) RIDER TEC is approved for immediate implementation;

(3) The Staff shall investigate and report as directed herein;

(4) The approval granted herein has no ratemaking implications; and

(5) The matter is continued for further orders of the Commission.

CASE NO. PUE980426
NOVEMBER 18, 1998

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
BYERS ENGINEERING COMPANY,
Defendant

ORDER OF SETTLEMENT

Pursuant to § 56-265.30 of the Code of Virginia, the Virginia State Corporation Commission ("Commission") is charged with enforcing the provisions of the Underground Utility Damage Prevention Act, §§ 56-265.14 et seq. of the Code of Virginia. The Commission's Division of Energy Regulation ("Division"), after having conducted an investigation of this matter, alleges that:

(1) On or about June 4, 1996, Impact Augering, Inc. damaged a three-quarter inch plastic gas service line operated by Washington Gas Light Company located at or near 7443 Old Maple Square, McLean, Virginia, while excavating;

(2) On or about November 11, 1996, Granja Contracting, Inc. damaged a one-half inch plastic gas service line operated by Washington Gas Light Company located at or near 6633 Dorsett Drive, Alexandria, Virginia, while excavating;

(3) On or about November 13, 1996, Fred W. Borden, Incorporated damaged a three-quarter inch plastic gas service line operated by Washington Gas Light Company located at or near 818 Duncan Place (Lot #71), Leesburg, Virginia, while excavating;

(4) On or about December 4, 1996, Granja Contracting, Inc. damaged a three-quarter inch steel gas service line operated by Washington Gas Light Company located at or near 6611 The Parkway, Alexandria, Virginia, while excavating;

(5) On or about March 13, 1997, Horizon Building Corporation damaged a four inch plastic gas main line operated by Washington Gas Light Company located at or near 1939 Rockingham Street, McLean, Virginia, while excavating;

(6) On or about July 14, 1997, Northern Virginia Concrete Co. damaged a one-quarter inch plastic gas service line operated by Washington Gas Light Company located at or near 7106 Colgate Drive, Alexandria, Virginia, while excavating;

(7) On or about August 12, 1997, Architectural Systems, Inc. damaged a four aught electric cable operated by Virginia Electric and Power Company located at or near 10762 Riverscape Run, Great Falls, Virginia, while excavating;

(8) On or about August 15, 1997, Hal Co. damaged a three-quarter inch plastic gas service line operated by Washington Gas Light Company located at or near 308 East Braddock Road, Alexandria, Virginia, while excavating;

(9) On or about August 19, 1997, Eastern Electrical, Inc. damaged a three-quarter inch steel gas service line operated by Washington Gas Light Company located at or near 2754 Goodwin Court, Falls Church, Virginia, while excavating;

(10) On or about October 28, 1997, The Strong Companies, Inc. damaged a four inch plastic gas main line operated by Washington Gas Light Company located at or near 10198 Cedar Pond Drive, Reston, Virginia, while excavating;

(11) On or about November 19, 1997, UTILX Corporation was excavating at or near Innisford Drive, Springfield, Virginia, while excavating;

(12) On or about December 1, 1997, Solis Fence Company of Virginia, Inc. damaged a two inch plastic gas service line operated by Washington Gas Light Company located at or near 10232 Burbeck Road, Fort Belvoir, Virginia, while excavating;

(13) On or about December 5, 1997, Underground Systems Group, L.C. damaged a three-quarter inch plastic gas service line operated by Washington Gas Light Company located at or near Lot 33, Welby Terrace, Ashburn, Virginia, while excavating;

(14) On or about January 14, 1998, The Richardson-Wayland Electric Corporation damaged a four inch plastic gas main line operated by Washington Gas Light Company located at or near Woodford Road and Wolftrap Road, Vienna, Virginia, while excavating;

(15) On or about February 13, 1998, Woodlawn Construction Company damaged a one-quarter inch cooper gas service line operated by Washington Gas Light Company located at or near 6907 Radcliffe Drive, Fairfax, Virginia, while excavating;

(16) On or about March 30, 1998, Bobkat Fence, Inc. damaged a one-half inch plastic gas service line operated by Washington Gas Light Company located at or near 42845 Chesterston Street, Ashburn, Virginia, while excavating;

(17) On or about April 18, 1998, Brian Agricola, Homeowner, damaged a three-quarter inch plastic gas service line operated by Washington Gas Light Company located at or near 9403 Luke Drive, Manassas, Virginia, while excavating;

(18) On or about May 7, 1998, D. A. Foster Company damaged a three-quarter inch plastic gas service line operated by Washington Gas Light Company located at or near 2027 Spring Branch Drive, Vienna, Virginia, while excavating;

(19) On or about May 12, 1998, Olde Town Contracting, Inc. damaged a two inch plastic gas main line operated by Washington Gas Light Company located at or near 7327 Steel Mill Road, Springfield, Virginia, while excavating;

(20) On or about May 19, 1998, Accokeek Fence Company, Inc. damaged a three-quarter inch plastic gas service line operated by Washington Gas Light Company located at or near 949 Bellview Road, McLean, Virginia, while excavating;

(21) On or about July 18, 1997, Dockett Construction damaged a three-quarter inch plastic gas service line operated by Washington Gas Light Company located at or near 27943 Fleet Terrace, Ashburn, Virginia, while excavating; and

(22) Byers Engineering Company ("the Company") caused such damages by failing to mark the approximate horizontal location of the lines on the ground to within two feet of either side of the underground utility lines, in violation of § 56-265.19 A of the Code of Virginia.

As evidenced in the attached Admission and Consent document, the Company neither admits nor denies these allegations, but admits the Commission's jurisdiction and authority to enter this Order. As an offer to settle all matters before the Commission arising from the Division's allegations made herein, the Company represents and undertakes that it will pay a civil penalty to the Commonwealth of Virginia in the amount of $15,900 to be paid contemporaneously with the entry of this Order. This payment will be made by cashier's check or money order, payable to the Treasurer of Virginia and directed to the attention of the Director of the Division of Energy Regulation.

The Commission, being advised by the Staff and finding sufficient basis herein for the entry of this Order, hereby accepts this settlement. Accordingly,

IT IS ORDERED THAT:

(1) Pursuant to the authority granted the Commission by § 12.1-15 of the Code of Virginia, the offer of settlement made by the Company be, and it hereby is, accepted.

(2) The sum of $15,900 tendered contemporaneously with the entry of this Order is accepted.

(3) This case is dismissed and the papers herein be placed in the file for ended causes.

CASE NO. PUE980428
SEPTEMBER 3, 1998

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
WASHINGTON GAS LIGHT COMPANY,
Defendant

ORDER OF SETTLEMENT

Pursuant to § 56-265.30 of the Code of Virginia, the Virginia State Corporation Commission ("Commission") is charged with enforcing the provisions of the Underground Utility Damage Prevention Act, §§ 56-265.14 et seq. of the Code of Virginia. The Commission's Division of Energy Regulation ("Division"), after having conducted an investigation of this matter, alleges that:

(1) On or about March 18, 1998, AME Limited damaged a three-quarter inch steel gas service line operated by Washington Gas Light Company ("the Company") located at or near 3203 Blundell Court, Annandale, Virginia, while excavating;

(2) On or about April 2, 1998, Jones Utility Construction Co. damaged a two inch steel gas main line operated by the Company located at or near Bannerwood Drive and Bannerwood Court, Annandale, Virginia, while excavating;

(3) On or about April 2, 1998, Thompson Cable Services, Inc. damaged a one-half inch plastic gas service line operated by the Company located at or near 6127 Saddle Horn Drive, Fairfax, Virginia, while excavating;

(4) On or about April 7, 1998, Master Plumbing & Heating Co., Inc. damaged a two inch plastic gas main line operated by the Company located at or near 47655 Rhyolite Place, Loudoun, Virginia, while excavating;

(5) On or about April 7, 1998, Turner Service damaged a one-quarter inch plastic gas service line operated by the Company located at or near 7512 Roxburg Avenue, Manassas, Virginia, while excavating;

(6) On or about April 7, 1998, Leo Construction Company damaged a three-quarter inch steel gas service line operated by the Company located at or near 4941 Duke Street, Alexandria, Virginia, while excavating;

(7) On or about April 21, 1998, Hanes Paving Company, Inc. damaged a one-quarter inch copper gas service line operated by the Company located at or near 6143 Thompkins Drive, Fairfax, Virginia, while excavating;

(8) On or about June 1, 1998, Rockingham Construction Co. Inc. Company damaged a one-quarter inch plastic gas service line operated by the Company located at or near 4523 Hendricks Road, Dale City, Virginia, while excavating;

(9) On or about June 2, 1998, Rockingham Construction Co. Inc. damaged a one-half inch plastic gas service line operated by the Company located at or near (Lot 19) Island Fog Court, Gainesville, Virginia, while excavating;

(10) On or about June 2, 1998, Battlefield Utility Contractors Inc. damaged a one-half inch plastic gas service line operated by the Company located at or near 1522 Tyler Circle, Woodbridge, Virginia, while excavating;

(11) On or about June 2, 1998, R. L. Rider & Co. damaged a two inch plastic gas main line operated by the Company located at or near 6604 Old Chesterbrook Road, Fairfax, Virginia, while excavating;

(12) On or about June 8, 1998, JHL Plumbing, Inc. damaged a three-quarter inch plastic gas service line operated by the Company located at or near 2205 Aryness Drive, Vienna, Virginia, while excavating; and

(13) The Company caused such damages by failing to mark the approximate horizontal location of the lines on the ground to within two feet of either side of the underground utility lines, in violation of § 56-265.19 A of the Code of Virginia.

As evidenced in the attached Admission and Consent document, the Company neither admits nor denies these allegations, but admits the Commission's jurisdiction and authority to enter this Order. As an offer to settle all matters before the Commission arising from the Division's allegations made herein, the Company represents and undertakes that:

(1) The Company will pay a civil penalty to the Commonwealth of Virginia in the amount of $9,350 to be paid contemporaneously with the entry of this Order. This payment will be made by cashier's check or money order, payable to the Treasurer of Virginia and directed to the attention of the Director of the Division of Energy Regulation.

(2) Any fines paid in accordance with this Order shall not be recovered in the Company's rates as part of the cost of service. Any such fines shall be booked in Uniform System of Account No. 426.3. The Company shall verify its booking by filing a copy of the trial balance showing this entry with the Division of Public Utility Accounting.

The Commission, being advised by the Staff and finding sufficient basis herein for the entry of this Order, hereby accepts this settlement. Accordingly,

IT IS ORDERED THAT:

(1) Pursuant to the authority granted the Commission by § 12.1-15 of the Code of Virginia, the offer of settlement made by the Company be, and it hereby is, accepted.

(2) The sum of $9,350 tendered contemporaneously with the entry of this Order is accepted.

(3) This case is dismissed and the papers herein be placed in the file for ended causes.

CASE NO. PUE980447
AUGUST 28, 1998

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
COLUMBIA GAS OF VIRGINIA, INC.,
Defendant

ORDER OF SETTLEMENT

Pursuant to § 56-265.30 of the Code of Virginia, the Virginia State Corporation Commission ("Commission") is charged with enforcing the provisions of the Underground Utility Damage Prevention Act, §§ 56-265.14 et seq. of the Code of Virginia. The Commission's Division of Energy Regulation ("Division"), after having conducted an investigation of this matter, alleges that:

(1) On or about November 29, 1996, Daniel Group, Inc. damaged a one-half inch plastic gas service line operated by Columbia Gas of Virginia, Inc. ("the Company") located at or near 132 North Main Street, Chatham, Virginia, while excavating;

(2) On or about February 13, 1998, Powers Paving, Inc. damaged a five-eighths inch plastic gas service line operated by the Company located at or near 319 South 14th Street, Hopewell, Virginia, while excavating;

(3) On or about February 24, 1997, Finley Corporation damaged a one inch plastic gas service line operated by Columbia Gas of Virginia, Inc. located at or near 2320 Bedford Avenue, Lynchburg, Virginia, while excavating;

(4) On or about February 18, 1998, J. H. Martin & sons, Contractors, Inc. damaged a five-eighths inch plastic gas service line operated by the Company located at or near 11020 Midlothian Turnpike, Midlothian, Virginia, while excavating;

(5) On or about January 20, 1998, George's Excavating, Inc. damaged a three-quarter inch steel gas service line operated by the Company located at or near 1503 Central Avenue, Hopewell, Virginia, while excavating;

(6) On or about February 6, 1998, SKS Construction, Inc. damaged a one-half inch plastic gas service line operated by the Company located at or near Warrenton Road, Fredericksburg, Virginia, while excavating;

(7) On or about March 13, 1998, Marvin Templeton & Sons, Inc. damaged a one inch plastic gas service line operated by the Company located at or near 4316 Fort Avenue, Lynchburg, Virginia, while excavating;

(8) On or about March 13, 1998, Davis & Green, Inc. damaged a four inch steel gas main line operated by the Company located at or near 804 West Rosylan Road, Colonial Heights, Virginia, while excavating;

(9) On or about May 8, 1998, Town of Pearisburg damaged a two inch plastic gas main line operated by the Company located at or near 117 Curve Road, Pearisburg, Virginia, while excavating; and

(10) The Company caused such damages by failing to mark the approximate horizontal location of the lines on the ground to within two feet of either side of the underground utility lines, in violation of § 56-265.19 A of the Code of Virginia.

As evidenced in the attached Admission and Consent document, the Company neither admits nor denies these allegations, but admits the Commission's jurisdiction and authority to enter this Order. As an offer to settle all matters before the Commission arising from the Division's allegations made herein, the Company represents and undertakes that:

(1) The Company will pay a civil penalty to the Commonwealth of Virginia in the amount of $6,650 to be paid contemporaneously with the entry of this Order. This payment will be made by cashier's check or money order, payable to the Treasurer of Virginia and directed to the attention of the Director of the Division of Energy Regulation.

(2) Any fines paid in accordance with this Order shall not be recovered in the Company's rates as part of the cost of service. Any such fines shall be booked in Uniform System of Account No. 426.3. The Company shall verify its booking by filing a copy of the trial balance showing this entry with the Division of Public Utility Accounting.

The Commission, being advised by the Staff and finding sufficient basis herein for the entry of this Order, hereby accepts this settlement. Accordingly,

IT IS ORDERED THAT:

(1) Pursuant to the authority granted the Commission by § 12.1-15 of the Code of Virginia, the offer of settlement made by the Company be, and it hereby is, accepted.

(2) The sum of $6,650 tendered contemporaneously with the entry of this Order is accepted.

(3) This case is dismissed and the papers herein be placed in the file for ended causes.

CASE NO. PUE980457
OCTOBER 21, 1998

NOTIFICATION OF
AMVEST OIL & GAS, INC.

To furnish gas service to Wise Host, Inc., pursuant to § 56-265.4:5 of the Code of Virginia

DISMISSAL ORDER

On July 20, 1998, AMVEST Oil & Gas, Inc., ("AOG" or "the Company") notified the State Corporation Commission ("Commission"), pursuant to § 56-265.4:5 of the Code of Virginia of its plans to furnish gas service to Wise Host, Inc. ("Wise Host"). AOG subsequently filed an amendment, dated August 4, 1998, to its notification documents.

According to its notification documents, AOG is a Virginia corporation engaged in the exploration for and production of natural gas. Wise Host is a Virginia corporation engaged in the operation of a hotel located in Wise, Virginia.

On July 27, 1998, the Staff of the State Corporation Commission filed a memorandum advising that the Wise Host's facilities were not located within a territory for which a certificate of public convenience and necessity had been granted and that, as of the time of receipt of AOG's notification, Wise Host's facilities were not located within any area, territory, or jurisdiction served by a municipal corporation that provided gas distribution service as of January 1, 1992.

On August 7, 1998, the Commission entered an order docketing the proceeding and notifying all public utilities providing service within the Commonwealth of AOG's plans to furnish service to Wise Host. The Commission also found that Wise Host's facilities were not located within a territory for which a certificate of public convenience and necessity had been granted, and that, as of the time of the Commission's receipt of AOG's notification, Wise Hotel's facilities were not located within any area, territory, or jurisdiction served by a municipal corporation that provided gas distribution service as of January 1, 1992.

Sixty days have now elapsed since the entry of the August 7, 1998 Order Docketing Proceeding and Providing Notice, and no jurisdictual public utility has filed an application to provide natural gas service within the area identified in the documents filed as part of the captioned notification.

NOW upon consideration of the foregoing, the Commission is of the opinion and finds that AOG has satisfied the requirements of §§ 56-265.1(b)(4) and -265.4:5 of the Code of Virginia; that nothing further remains to be done in this proceeding, and that this matter should be dismissed.

Accordingly,

IT IS ORDERED THAT the captioned notification shall be dismissed from the Commission's docket of active proceedings, and the papers filed herein be made a part of the Commission's file for ended causes.

CASE NO. PUE980536
SEPTEMBER 28, 1998

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
WASHINGTON GAS LIGHT COMPANY,
Defendant

ORDER OF SETTLEMENT

Pursuant to § 56-265.30 of the Code of Virginia, the Virginia State Corporation Commission ("Commission") is charged with enforcing the provisions of the Underground Utility Damage Prevention Act, §§ 56-265.14 et seq. of the Code of Virginia. The Commission's Division of Energy Regulation ("Division"), after having conducted an investigation of this matter, alleges that:

(1) On or about March 31, 1998, York Service Company, Inc. damaged a two inch plastic gas service line operated by Washington Gas Light Company ("the Company") located at or near 13870 Foulger Square, Dale City, Virginia, while excavating;

(2) On or about March 31, 1998, Underground Systems Group, L.C. damaged a two inch plastic gas main line operated by the Company located at or near 2415 Mill Heights Drive, Herndon, Virginia, while excavating;

(3) On or about June 22, 1998, Ram Development Corporation damaged a one-half inch plastic gas service line operated by the Company located at or near 2024 North Randolph Street, Arlington, Virginia, while excavating;

(4) On or about June 24, 1998, Granja Contracting, Inc. damaged a three-quarter inch steel gas service line operated by the Company located at or near 4301 Gifford Drive, Fairfax, Virginia, while excavating;

(5) On or about June 22, 1998, Casper Colosimo & Son, Inc. damaged a one-half inch plastic gas service line operated by the Company located at or near 1125 Brook Valley Lane, McLean, Virginia, while excavating;

(6) On or about July 6, 1998, Ram Development Corporation damaged a three-quarter inch plastic gas service line operated by the Company located at or near Lot #7, Tackroom Lane, Fairfax, Virginia, while excavating;

(7) On or about July 10, 1998, WJH Communications, Inc. damaged a one-quarter inch plastic gas other line operated by the Company located at or near 7462 Donset Court, Manassas, Virginia, while excavating;

(8) On or about July 2, 1998, B. Frank Joy Company, Incorporated damaged a three-eighths inch copper gas light service line operated by the Company located at or near Kimberwicke Road and Georgetown Pike, McLean, Virginia, while excavating;

(9) On or about July 3, 1998, JOT Fiber, Inc. damaged a three-eighths inch plastic gas service line operated by the Company located at or near 4526 Knoll Drive, Dale City, Virginia, while excavating;

(10) The Company caused such damages by failing to mark the approximate horizontal location of the lines on the ground to within two feet of either side of the underground utility lines, in violation of § 56-265.19 A of the Code of Virginia;

(11) On or about May 28, 1998, J. G. Miller, Inc. damaged a one inch steel gas service line operated by the Company located at or near 8551 Backlick Road, Springfield, Virginia, while excavating; and

(12) The Company caused such damage by failing to take all reasonable steps to protect the underground utility line, in violation of § 56-265.24 A of the Code of Virginia.

As evidenced in the attached Admission and Consent document, the Company neither admits nor denies these allegations, but admits the Commission's jurisdiction and authority to enter this Order. As an offer to settle all matters before the Commission arising from the Division's allegations made herein, the Company represents and undertakes that:

(1) The Company will pay a civil penalty to the Commonwealth of Virginia in the amount of $7,100 to be paid contemporaneously with the entry of this Order. This payment will be made by cashier's check or money order, payable to the Treasurer of Virginia and directed to the attention of the Director of the Division of Energy Regulation.

(2) Any fines paid in accordance with this Order shall not be recovered in the Company's rates as part of the cost of service. Any such fines shall be booked in Uniform System of Account No. 426.3. The Company shall verify its booking by filing a copy of the trial balance showing this entry with the Division of Public Utility Accounting.

The Commission, being advised by the Staff and finding sufficient basis herein for the entry of this Order, hereby accepts this settlement. Accordingly,

IT IS ORDERED THAT:

(1) Pursuant to the authority granted the Commission by § 12.1-15 of the Code of Virginia, the offer of settlement made by the Company be, and it hereby is, accepted.

(2) The sum of $7,100 tendered contemporaneously with the entry of this Order is accepted.

(3) This case is dismissed and the papers herein be placed in the file for ended causes.

CASE NO. PUE980537
OCTOBER 1, 1998

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
COLUMBIA GAS OF VIRGINIA, INC.,
Defendant

ORDER OF SETTLEMENT

Pursuant to § 56-265.30 of the Code of Virginia, the Virginia State Corporation Commission ("Commission") is charged with enforcing the provisions of the Underground Utility Damage Prevention Act, §§ 56-265.14 et seq. of the Code of Virginia. The Commission's Division of Energy Regulation ("Division"), after having conducted an investigation of this matter, alleges that:

(1) On or about March 16, 1996, Miller and Comer damaged a one inch plastic gas service line operated by Columbia Gas of Virginia, Inc. ("the Company") located at or near 151 North Main Street, Culpeper, Virginia, while excavating;

(2) On or about March 18, 1996, Law Engineering damaged a one and one-quarter inch plastic gas service line operated by the Company located at or near 8700 Sudley Road, Manassas, Virginia, while excavating;

(3) On or about March 26, 1998, Checkmate Communications, Inc. damaged a five-eighths inch plastic gas service line operated by the Company located at or near 6234 Gatesgreen Drive, Chesterfield, Virginia, while excavating;

(4) On or about April 8, 1998, Gleghorn Excavating, Inc. damaged a one inch plastic gas service line operated by the Company located at or near 10700 Midlothian Turnpike, Chesterfield, Virginia, while excavating;

(5) On or about April 28, 1998, Echols Brothers, Inc. damaged a two inch plastic gas service line operated the Company located at or near 1028 Richmond Avenue, Staunton, Virginia, while excavating;

(6) On or about May 18, 1998, Miller & Comer damaged a four inch plastic gas main line operated by the Company located at or near 206 Monroe Street, Narrows, Virginia, while excavating;

(7) On or about June 18, 1998, Prillaman & Pace, Inc. damaged a one inch plastic gas service line operated by the Company located at or near 128 Roberta Street, Narrows, Virginia, while excavating; and

(8) The Company caused such damages by failing to mark the approximate horizontal location of the lines on the ground to within two feet of either side of the underground utility lines, in violation of § 56-265.19 A of the Code of Virginia.

As evidenced in the attached Admission and Consent document, the Company neither admits nor denies these allegations, but admits the Commission's jurisdiction and authority to enter this Order. As an offer to settle all matters before the Commission arising from the Division's allegations made herein, the Company represents and undertakes that:

(1) The Company will pay a civil penalty to the Commonwealth of Virginia in the amount of $5,250 to be paid contemporaneously with the entry of this Order. This payment will be made by cashier's check or money order, payable to the Treasurer of Virginia and directed to the attention of the Director of the Division of Energy Regulation.

(2) Any fines paid in accordance with this Order shall not be recovered in the Company's rates as part of the cost of service. Any such fines shall be booked in Uniform System of Account No. 426.3. The Company shall verify its booking by filing a copy of the trial balance showing this entry with the Division of Public Utility Accounting.

The Commission, being advised by the Staff and finding sufficient basis herein for the entry of this Order, hereby accepts this settlement. Accordingly,

IT IS ORDERED THAT:

(1) Pursuant to the authority granted the Commission by § 12.1-15 of the Code of Virginia, the offer of settlement made by the Company be, and it hereby is, accepted.

(2) The sum of $5,250 tendered contemporaneously with the entry of this Order is accepted.

(3) This case is dismissed and the papers herein be placed in the file for ended causes.

CASE NO. PUE980548
SEPTEMBER 28, 1998

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
VIRGINIA ELECTRIC AND POWER COMPANY,
Defendant

ORDER OF SETTLEMENT

Pursuant to § 56-265.30 of the Code of Virginia, the Virginia State Corporation Commission ("Commission") is charged with enforcing the provisions of the Underground Utility Damage Prevention Act, §§ 56-265.14 et seq. of the Code of Virginia. The Commission's Division of Energy Regulation ("Division"), after having conducted an investigation of this matter, alleges that:

(1) On or about May 7, 1998, Virginia Electric and Power Company ("the Company") damaged a one-half inch plastic gas service line operated by Virginia Natural Gas, Inc. located at or near 641 and 641 1/2 Bellwood Road, Hampton, Virginia, while excavating;

(2) The Company caused such damage by failing to request the re-marking of lines, in violation of § 56-265.17 C of the Code of Virginia;

(3) On or about February 18, 1998, the Company damaged a two inch plastic gas main line operated by Columbia Gas of Virginia, Inc. located at or near Elm Street at Three Cedars, Fredericksburg, Virginia, while excavating;

(4) On or about April 28, 1998, the Company damaged a three-quarter inch plastic gas service line operated by Washington Gas Light Company located at or near 5735 Dangerfield Way, Fairfax, Virginia, while excavating;

(5) On or about May 19, 1998, the Company damaged a three-quarter inch plastic gas service line operated by Washington Gas Light Company located at or near 21130 Domain Terrace, Loudoun, Virginia, while excavating;

(6) On or about June 1, 1998, the Company damaged a two inch plastic gas main line operated by Columbia Gas of Virginia, Inc. located at or near 605 Potomac Hills Drive, Fredericksburg, Virginia, while excavating;

(7) On or about June 3, 1998, the Company damaged a one-half inch plastic gas service line operated by Columbia Gas of Virginia, Inc. located at or near 3600 Rafterridge Drive, Midlothian, Virginia, while excavating;

(8) On or about June 8, 1998, the Company damaged a one-half inch plastic gas service line operated by Virginia Natural Gas, Inc. located at or near 3572 Criollo Drive, Virginia Beach, Virginia, while excavating;

(9) On or about June 8, 1998, the Company damaged a one-half inch plastic gas service line operated by Columbia Gas of Virginia, Inc. located at or near 7 Chelsea Court, Garrisonville, Virginia, while excavating;

(10) On or about June 25, 1998, the Company damaged a one-half inch plastic gas service line operated by Columbia Gas of Virginia, Inc. located at or near 2600 Sugarberry Lane, Chesterfield, Virginia, while excavating; and

(11) The Company caused such damages by failing to take all reasonable steps to protect the underground utility lines, in violation of § 56-265.24 A of the Code of Virginia.

As evidenced in the attached Admission and Consent document, the Company neither admits nor denies these allegations, but admits the Commission's jurisdiction and authority to enter this Order. As an offer to settle all matters before the Commission arising from the Division's allegations made herein, the Company represents and undertakes that:

(1) The Company will pay a civil penalty to the Commonwealth of Virginia in the amount of $6,750 to be paid contemporaneously with the entry of this Order. This payment will be made by cashier's check or money order, payable to the Treasurer of Virginia and directed to the attention of the Director of the Division of Energy Regulation.

(2) Any fines paid in accordance with this order shall not be recovered in the Company's rates as part of the cost of service. Any such fines shall be booked in Uniform System of Account No. 426.3. The Company shall verify its booking by filing a copy of the trial balance showing this entry with the Division of Public Utility Accounting.

The Commission, being advised by the Staff and finding sufficient basis herein for the entry of this Order, hereby accepts this settlement. Accordingly,

IT IS ORDERED THAT:

(1) Pursuant to the authority granted the Commission by § 12.1-15 of the Code of Virginia, the offer of settlement made by the Company be, and it hereby is, accepted.

(2) The sum of $6.750 tendered contemporaneously with the entry of this Order is accepted.

(3) This case is dismissed and the papers herein be placed in the file for ended causes.

CASE NO. PUE980555
NOVEMBER 19, 1998

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
BYERS ENGINEERING COMPANY,
Defendant

ORDER OF SETTLEMENT

Pursuant to § 56-265.30 of the Code of Virginia, the Virginia State Corporation Commission ("Commission") is charged with enforcing the provisions of the Underground Utility Damage Prevention Act, §§ 56-265.14 et seq. of the Code of Virginia. The Commission's Division of Energy Regulation ("Division"), after having conducted an investigation of this matter, alleges that:

(1) On or about June 17, 1997, D. A. Foster Company damaged a two inch plastic gas main line operated by Washington Gas Light Company located at or near 5801 Summers Grove Road, Alexandria, Virginia, while excavating;

(2) On or about July 16, 1997, Leo Construction Company damaged a three-quarter inch plastic gas service line operated by Washington Gas Light Company located at or near Lot 223 Michael Court, Manassas, Virginia, while excavating;

(3) On or about July 16, 1997, Loudoun Landworks damaged a three-quarter inch plastic gas service line operated by Washington Gas Light Company located at or near 621 Curtain Place, Leesburg, Virginia, while excavating;

(4) On or about September 29, 1997, Impact Augering, Inc. was excavating at or near 11314 Stones Throw Drive, Reston, Virginia, while excavating;

(5) On or about October 17, 1997, Leo Construction Company was excavating at or near (Lot 117) 528 Tulip Tree Square, Leesburg, Virginia;

(6) On or about October 30, 1997, S. Q. Consultants, Inc. was excavating at or near 3315 South Wakefield Street, Alexandria, Virginia;

(7) On or about February 6, 1998, Capco Construction Corporation damaged a three-quarter inch plastic gas service line operated by Washington Gas Light Company located at or near 2403 Shreve Hill Court (Lot 3), Vienna, Virginia, while excavating;

(8) On or about April 10, 1998, Noah Electric was excavating at or near Crystal Lake Street and Firestone Place, Leesburg, Virginia, while excavating;

(9) On or about April 30, 1998, T C S Communications damaged a four inch plastic gas main line operated by Washington Gas Light Company located at or near Old Craft Drive, Fairfax, Virginia, while excavating;

(10) On or about May 28, 1998, Capco Construction Corporation damaged a three-quarter inch plastic gas service line operated by Washington Gas Light Company located at or near 3214 Tayloe Court, Herndon, Virginia, while excavating;

(11) On or about June 25, 1998, Superior Landscape damaged a three-quarter inch plastic gas service line operated by Washington Gas Light Company located at or near 43932 Championship Place, Ashburn, Virginia, while excavating;

(12) On or about July 6, 1998, Mayer Plumbing Inc. was excavating at or near 6199 Old Arrington Lane, Fairfax Station, Virginia, while excavating;

(13) On or about July 11, 1998, Hal Company damaged a one-quarter inch copper gas service line operated by Washington Gas Light Company located at or near 3109 Burbank Lane, Prince William, Virginia, while excavating; and

(14) The Company caused such damages by failing to mark the approximate horizontal location of the lines on the ground to within two feet of either side of the underground utility lines, in violation of § 56-265.19 A of the Code of Virginia.

As evidenced in the attached Admission and Consent document, the Company neither admits nor denies these allegations, but admits the Commission's jurisdiction and authority to enter this Order. As an offer to settle all matters before the Commission arising from the Division's allegations made herein, the Company represents and undertakes that it will pay a civil penalty to the Commonwealth of Virginia in the amount of $12,150 to be paid contemporaneously with the entry of this Order. This payment will be made by cashier's check or money order, payable to the Treasurer of Virginia and directed to the attention of the Director of the Division of Energy Regulation.

The Commission, being advised by the Staff and finding sufficient basis herein for the entry of this Order, hereby accepts this settlement. Accordingly,

IT IS ORDERED THAT:

(1) Pursuant to the authority granted the Commission by § 12.1-15 of the Code of Virginia, the offer of settlement made by the Company be, and it hereby is, accepted.

(2) The sum of $12,150 tendered contemporaneously with the entry of this Order is accepted.

(3) This case is dismissed and the papers herein be placed in the file for ended causes.

CASE NO. PUE980602
DECEMBER 22, 1998

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
ROBERT A. WINNEY D/B/A THE WATERWORKS COMPANY OF FRANKLIN COUNTY,
Defendant

ORDER MAKING FINDINGS, DIRECTING REFUNDS, AND SUSPENDING JUDGMENT

By Rule to Show Cause entered September 11, 1998, Robert A. Winney d/b/a The Waterworks Company of Franklin County ("Company") was ordered to appear before the State Corporation Commission on December 3, 1998, and to show why the Commission should not impose fines or punish for contempt for failure to make certain refunds and to apply prescribed rates and charges. A return made by the Honorable W. Q. Overton, Sheriff of Franklin County, showed that Robert A. Winney d/b/a The Waterworks Company of Franklin County was personally served with a copy of the rule to show cause and had notice of this proceeding. The Company did not file an answer as authorized by the rule to show cause.

The Commission heard this matter on December 3, 1998. Robert A. Winney d/b/a the Waterworks Company of Franklin County did not appear. The Commission received testimony and exhibits from its Staff concerning violations alleged in the rule to show cause.

Based upon the record developed at the hearing, the Commission finds that the Company has not refunded certain sums as ordered and has not applied prescribed rates and charges. By Interim Order issued February 27, 1998, in Case No. PUE970119, Application of Robert A. Winney d/b/a The Waterworks Company of Franklin County, for a certificate of public convenience and necessity authorizing the furnishing of water, the Commission prescribed a quarterly rate for service provided on or after February 27, 1998, and an annual availability charge. The Company was ordered to make a refund of $35.33 to customers who had paid, on or before January 15, 1998, an annual availability charge of $100.00. The refund was originally to be made by March 18, 1998, but the date was later extended to July 15, 1998. We prescribed a rate of $67.50 per quarter for water service and determined that customers were due a pro rata refund of $11.98 for the first quarter of 1998. Rather than direct a cash refund, the Commission prescribed a one-time reduction in the quarterly rate from $67.50 to $55.52 for the second quarter of 1998 payable April 1. The quarterly rate thereafter would be $67.50 until changed as provided by law.

The record shows that the refunds to customers paying an annual availability charge in January 1998 have not been paid as ordered. It appears that the Company proposes to credit customers paying an annual availability charge due in January 1999 with the amount of the refund. Such action, if it is in fact contemplated by the Company, is contrary to our orders.

With regard to application of the prescribed rates for water service, the record shows that the Company has, in some instances, failed to charge the prescribed rate. In February 1998, the Company applied for an increase in rates which was suspended and assigned case number PUE980057. Although the higher quarterly rate was suspended by order of February 20, 1998, the Company sent some bills payable April 1, 1998, at the higher rate. This action was contrary to our order suspending the proposed increase in rate, which carries the force of law.

The record also shows that the Waterworks Company of Franklin did not send timely bills to some customers so that payments could be made for the third quarter on July 1, 1998, and for the fourth quarter on October 1, 1998. In mid-November, the Company billed these customers for two quarters and added late charges. The Commission finds that application of a late charge in these circumstances is contrary to the Company's tariff and to our policies for the regulation of public utilities. While utilities, including the Waterworks Company of Franklin, may impose a late charge as provided by their tariff and by applicable statutes and regulations, a late charge may not be applied in the absence of proper billing by the utility.

Upon consideration of the record, the Commission finds that Robert A. Winney d/b/a The Waterworks Company of Franklin County has failed or refused to comply with Commission orders prescribing rates for service and directing the making of a refund. The Company's failure or refusal to obey the Commission's orders has continued for at least ten days. Accordingly, the Commission finds that Robert A. Winney d/b/a the Waterworks Company of Franklin County should be fined $2,500 for disobedience of Commission orders. This fine shall be imposed on Robert A. Winney personally, and this amount shall not be recovered through rates, charges or fees for service. The fine shall bear interest at the rate set by law from the date fixed by order of the Commission.

The Commission will, however, suspend imposition of this fine on certain conditions. First, the Waterworks Company of Franklin must make a refund by check to customers who paid the availability charge in 1998. The refund may not be made by crediting any future bill. Further, the Company must make a refund to any water service customer who paid in excess of $290.52 for water service for the first, second, third, and fourth quarters of 1998. Any refund due may not be made by a credit to any bill. These refunds shall be made in accordance with the directions we set out below. If the Company does not comply with this order, the Commission may enter judgment after notice to the Company

Accordingly, IT IS ORDERED THAT:

(1) Robert A. Winney d/b/a The Waterworks Company of Franklin County be fined $2,500 for failing or refusing to obey an order of the State Corporation Commission as provided by § 12.1-33 of the Code of Virginia.

(2) The fine imposed in (1) above be suspended upon satisfaction of the following conditions: (a) on or before February 5, 1999, the Company shall refund by check $35.33 to all customers paying an availability charge in January, 1998; (b) on or before February 5, 1999, the Company shall refund the excess paid by any customer whose total payments for service for the first, second, third, and fourth quarters of 1998 exceeded $290.52 for any reason; (c) on or before February 17, 1999, the Company shall file with the Clerk of the Commission, c/o Document Control Center, State Corporation Commission, P.O. Box 2118, Richmond, Virginia 23218-2118, a document setting out the name and address of each customer paid a refund; the amount and check number of the refund check made payable to each customer; and the date of the refund check.

(3) On or before January 15, 1999, the Company shall serve a copy of this order by first class mail, postage pre-paid on all customers.

(4) On or before January 22, 1999, the Company shall file with the Clerk of the Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118, a certificate stating the date of mailing of a copy of this order and the name and address of each customer mailed a copy.

(5) This matter shall be continued.

CASE NO. PUE980615
DECEMBER 18, 1998

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
BYERS ENGINEERING COMPANY,
Defendant

ORDER OF SETTLEMENT

Pursuant to § 56-265.30 of the Code of Virginia, the Virginia State Corporation Commission ("Commission") is charged with enforcing the provisions of the Underground Utility Damage Prevention Act, §§ 56-265.14 et seq. of the Code of Virginia. The Commission's Division of Energy Regulation ("Division"), after having conducted an investigation of this matter, alleges that:

(1) On or about July 28, 1997, Daka Construction damaged a two inch plastic gas main line operated by Washington Gas Light Company located at or near 4648 Kirkland Lane, Alexandria, Virginia, while excavating;

(2) On or about September 30, 1997, Virginia Electric and Power Company damaged a secondary power line operated by Virginia Electric and Power Company located at or near 10494 Hanna Farm Road, Oakton, Virginia, while excavating;

(3) On or about October 17, 1997, UTILX Corporation damaged a six hundred pair telephone cable operated by Bell Atlantic-Virginia, Inc. located at or near Comstock Road, Fort Belvoir, Virginia, while excavating;

(4) On or about April 10, 1998, Summit USA Land Development Corporation damaged a three-quarter inch plastic gas service line operated by Washington Gas Light Company located at or near 13724 Balmoral Greens Avenue, Centreville, Virginia, while excavating;

(5) On or about May 20, 1998, Virginia Electric and Power Company damaged a two inch plastic gas main line operated by Washington Gas Light Company located at or near Domain Drive and Logan Way, Loudoun, Virginia, while excavating;

(6) On or about June 6, 1998, Mr. Cernoch, Homeowner, damaged a one-half inch plastic gas service line operated by Washington Gas Light Company located at or near 3805 Whitman Road, Fairfax, Virginia, while excavating;

(7) On or about June 30, 1998, Underground Systems Group, L.C. damaged a three-quarter inch plastic gas service line operated by Washington Gas Light Company located at or near 304 East Church Road, Sterling, Virginia, while excavating;

(8) On or about July 1, 1998, Jones Utility Construction Co. damaged a three-quarter inch plastic gas service line operated by Washington Gas Light Company located at or near 14501 Meeting Camp Road, Centreville, Virginia, while excavating;

(9) On or about July 2, 1998, Battlefield Utility Contractors, Incorporated damaged a three-quarter inch plastic gas service line operated by Washington Gas Light Company located at or near 13713 Laurianne Terrace, Gainesville, Virginia, while excavating;

(10) On or about July 9, 1998, Battlefield Utility Contractors, Incorporated damaged a three-quarter inch plastic gas service line operated by Washington Gas Light Company located at or near 1401 Bayside Avenue, Woodbridge, Virginia, while excavating;

(11) On or about July 25, 1998, Westport Corporation damaged a one inch plastic gas service line operated by Washington Gas Light Company located at or near 8900 Burke Lake Road, Fairfax, Virginia, while excavating;

(12) On or about July 29, 1998, Rockingham Construction Company, Incorporated damaged a three-quarter inch steel gas service line operated by Washington Gas Light Company located at or near 109 North College Drive, Sterling Park, Virginia, while excavating;

(13) On or about August 4, 1998, C. J. Fisher and Sons, Inc. damaged a three-quarter inch plastic gas service line operated by Washington Gas Light Company located at or near 42971 Tara Court, Ashburn, Virginia, while excavating;

(14) On or about August 4, 1998, Leo Construction Company damaged a three-quarter inch plastic gas service line operated by Washington Gas Light Company located at or near 43343 Earl Court, Loudoun, Virginia, while excavating; and

(15) Byers Engineering Company ("the Company") caused such damages by failing to mark the approximate horizontal location of the lines on the ground to within two feet of either side of the underground utility lines, in violation of § 56-265.19 A of the Code of Virginia.

As evidenced in the attached Admission and Consent document, the Company neither admits nor denies these allegations, but admits the Commission's jurisdiction and authority to enter this Order. As an offer to settle all matters before the Commission arising from the Division's allegations made herein, the Company represents and undertakes that it will pay a civil penalty to the Commonwealth of Virginia in the amount of $10,250 to be paid contemporaneously with the entry of this Order. This payment will be made by cashier's check or money order, payable to the Treasurer of Virginia and directed to the attention of the Director of the Division of Energy Regulation.

The Commission, being advised by the Staff and finding sufficient basis herein for the entry of this Order, hereby accepts this settlement. Accordingly,

IT IS ORDERED THAT:

(1) Pursuant to the authority granted the Commission by § 12.1-15 of the Code of Virginia, the offer of settlement made by the Company be, and it hereby is, accepted.

(2) The sum of $10,250 tendered contemporaneously with the entry of this Order is accepted.

(3) This case is dismissed and the papers herein be placed in the file for ended causes.

CASE NO. PUE980628
DECEMBER 16, 1998

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION

Ex Parte: Investigation of Aubon Water Company

ORDER OF SETTLEMENT

On November 3, 1998, the Staff of the State Corporation Commission filed its Motion For Order Compelling Aubon Water Company To Make Improvements Or Changes In Water Service PURSUANT TO § 56-265.13:6 ("Motion"). The Staff's Motion relied upon inspections by the Virginia Department of Health, Office of Water Programs ("VDH-OWP") of the Defendant Aubon Water Company's ("Aubon's") water system and the written complaints of Aubon's water customers, served in Long Island Estates, located on Smith Mountain Lake in Franklin County, Virginia.[1]

Aubon, by its President, Mr. G. Ray Boone agreed with VDH-OWP to install iron and manganese removal treatment facilities in its Long Island Estates water system. Mr. Boone provided VDH-OWP with a preliminary cost estimate of fifty thousand dollars ($50,000) to sixty thousand dollars ($60.000) for said treatment facilities (Exhibit "B" to Staff's Motion, letter dated August 19, 1998).

On November 6, 1998, Aubon, by its President, Mr. G. Ray Boone, filed with this Commission its NOTICE OF RATE INCREASE OF SERVICE OF AUBON WATER COMPANY which states, in part:

> The attached Notice of Rate Increase reflects our current level of expenses and an investment of sixty thousand dollars ($60,000) to treat the water at our Long Island location. Additional wages and supplies will be required to operate this new facility.
>
> Please note that our last rate increase went into effect in 1983. Aubon Water Company will change its tariffs on file with the State Corporation Commission effective for service rendered on and after January 16, 1999.

On December 4, 1998, Mr. Boone, on behalf of Aubon, executed the attached ADMISSION AND CONSENT, which fully and completely admits each and every allegation contained in Staff's Motion. As an offer to settle all matters arising from the allegations, the Defendant Aubon and its owner and President, Mr. Boone, will undertake the following remedial actions:

(1) Aubon will bring its waterworks serving the subdivision known as Long Island Estates into compliance with applicable Virginia Department of Health Regulations and will continuously operate said waterworks in full compliance thereafter.

(2) Aubon will treat the water provided to Long Island Estates using a manganese greensand or equivalent filtration system for the removal of iron and manganese.

(3) Aubon will provide for disinfection of the waterworks serving Long Island Estates using continuous chlorination.

[1] VDH-OWP inspection reports and correspondence with Aubon and the customer complaints are appended to Staff's Motion.

(4) Aubon will comply with the following timetable and take the following actions to install and operate the above-described treatment facilities for its waterworks serving the Long Island Estates:

(a) Submit a Preliminary Engineering Report and cost estimate for the installation and operation of the agreed treatment facilities to this Commission's Divisions of Energy Regulation and Public Utility Accounting and VDH-OWP within forty-five (45) days following the date of this Order of Settlement.

(b) Submit to the Divisions of Energy Regulation and Public Utility Accounting and VDH-OWP within forty-five (45) days following the date of this Order of Settlement, a comprehensive business plan detailing the technical managerial and financial commitments to be made by Aubon, as provided for by § 32.1-173 B of the Code of Virginia for existing waterworks that have demonstrated significant noncompliance with the waterworks regulations.

(c) Submit to the Divisions of Energy Regulation and Public Utility Accounting and VDH-OWP within one hundred and twenty (120) days following the date of this Order of Settlement a set of Final Plans and Specifications and project cost estimates for the installation and operation of the agreed treatment facilities. The Final Plans and Specifications must be prepared by a professional engineer, licensed by the State of Virginia. Aubon shall also submit to the Division of Energy copies of all applications for permits required by VDH-OWP and all other necessary regulatory agencies.

(d) Submit to the Divisions of Energy Regulation and Public Utility Accounting and VDH-OWP within one hundred and twenty (120) days from the date of this Order of Settlement Aubon's written estimate of operation and maintenance expenses associated with the agreed treatment facilities, including the contracted expense for a licensed water operator. All written contracts for such licensed water operator shall also be submitted.

(e) Aubon will complete construction and installation of the agreed treatment facilities within one hundred and eighty (180) days from the date of this Order of Settlement. At that time, all regulatory permits required for the agreed treatment facilities shall be submitted to the Divisions of Energy Regulation and Public Utility Accounting and said treatment facilities shall be fully operational.

The Commission, having been fully advised in the premises and finding sufficient basis herein for the entry of this Order, and in reliance on Aubon's representations and undertakings set forth above, is of the opinion and finds that the offer of compromise and settlement should be accepted. Accordingly,

IT IS ORDERED:

(1) That pursuant to the authority granted the Commission by Virginia Code § 12.1-15, the offer of compromise and settlement made by Aubon Water Company be, and it is hereby, accepted;

(2) That Aubon Water Company shall timely comply with the remedial actions outlined hereinabove;

(3) That the failure of Aubon Water Company to so comply by taking said remedial actions may result in the initiation of a Rule to Show Cause proceeding against Aubon Water Company for violations of this Order;

(4) That, pursuant to § 12.1-15 of the Virginia Code, the Commission waives assessment of the cost of this investigation; and

(5) That the Commission retains jurisdiction over this matter until further order of this Commission.

CASE NO. PUE980631
NOVEMBER 3, 1998

APPLICATION OF
WASHINGTON GAS LIGHT COMPANY

For an amendment to Pilot Service Program

ORDER GRANTING APPROVAL FOR AN AMENDMENT TO PILOT DELIVERY SERVICE PROGRAM

On October 7, 1998, counsel for Washington Gas Light Company ("WGL") filed a motion requesting that the Commission amend the Pilot Delivery Service Program approved by the Commission in its June 18, 1998 Final Order in Case No. PUE971024 to reflect an expanded number of group metered apartment customers eligible for service under Rate Schedule No. 3A. WGL requests that the Commission amend the program by expanding the number of such customers from 10% of the group metered apartment class to the number of applications received on or before October 9, 1998, the cut-off date for applications during the first month of applications in the pilot program.

NOW THE COMMISSION, having considered the matter, is of the opinion that such request is reasonable and should be granted. Accordingly,

IT IS ORDERED THAT:

(1) WGL's motion for an amendment to the Pilot Delivery Service Program approved in Case No. PUE971024 is hereby granted.

(2) The number of group metered apartment customers eligible for service under Rate Schedule No. 3A is hereby expanded from 10% of the group metered apartment class to the number of applications received on behalf of those customers on or before October 9, 1998.

(3) WGL shall obtain Commission approval for any change in the currently approved number of such customers that differs from that currently approved in the second year of the Pilot Delivery Service Program.

(4) There being nothing further to be done in this matter, it is hereby dismissed.

CASE NO. PUE980709
DECEMBER 18, 1998

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
VIRGINIA NATURAL GAS, INC.,
Defendant

ORDER OF SETTLEMENT

Pursuant to § 56-265.30 of the Code of Virginia, the Virginia State Corporation Commission ("Commission") is charged with enforcing the provisions of the Underground Utility Damage Prevention Act, §§ 56-265.14 et seq. of the Code of Virginia. The Commission's Division of Energy Regulation ("Division"), after having conducted an investigation of this matter, alleges that:

(1) On or about April 27, 1998, the City of Newport News damaged a one and one-quarter inch iron gas service line operated by Virginia Natural Gas, Inc. ("the Company") located at or near 1154 30th Street, Newport News, Virginia, while excavating;

(2) On or about April 29, 1998, Virginia Electric and Power Company damaged a five-eighths inch plastic gas service line operated by the Company located at or near 729 Timmons Court, Chesapeake, Virginia, while excavating;

(3) On or about May 1, 1998, Denbigh Construction Company, Inc. damaged a two inch plastic gas main line operated by the Company located at or near 12716 Warwick Boulevard, Newport News, Virginia, while excavating;

(4) On or about May 26, 1998, Tri-State Utilities Co. damaged a three-quarter inch steel gas service line operated by the Company located at or near 519 Brentwood Drive, Newport News, Virginia, while excavating;

(5) On or about July 28, 1998, Contracting Enterprises, Inc. damaged a two inch plastic gas service line operated by the Company located at or near 9283 Atlee Station Road, Mechanicsville, Virginia, while excavating;

(6) On or about August 13, 1998, S. W. Poindexter Plumbing, Inc. damaged a three-quarter inch plastic gas service line operated by the Company located at or near 9274 Smallwood Court, Mechanicsville, Virginia, while excavating;

(7) On or about August 13, 1998, Southern Cable damaged a three-quarter inch plastic gas service line operated by the Company located at or near 9959 Revolutionary Place, Hanover, Virginia, while excavating; and

(8) The Company caused such damages by failing to mark the approximate horizontal location of the lines on the ground to within two feet of either side of the underground utility lines, in violation of § 56-265.19 A of the Code of Virginia.

As evidenced in the attached Admission and Consent document, the Company neither admits nor denies these allegations, but admits the Commission's jurisdiction and authority to enter this Order. As an offer to settle all matters before the Commission arising from the Division's allegations made herein, the Company represents and undertakes that:

(1) The Company will pay a civil penalty to the Commonwealth of Virginia in the amount of $5,200 to be paid contemporaneously with the entry of this Order. This payment will be made by cashier's check or money order, payable to the Treasurer of Virginia and directed to the attention of the Director of the Division of Energy Regulation.

(2) Any fines paid in accordance with this Order shall not be recovered in the Company's rates as part of the cost of service. Any such fines shall be booked in Uniform System of Account No. 426.3. The Company shall verify its booking by filing a copy of the trial balance showing this entry with the Division of Public Utility Accounting.

The Commission, being advised by the Staff and finding sufficient basis herein for the entry of this Order, hereby accepts this settlement. Accordingly,

IT IS ORDERED THAT:

(1) Pursuant to the authority granted the Commission by § 12.1-15 of the Code of Virginia, the offer of settlement made by the Company be, and it hereby is, accepted.

(2) The sum of $5,200 tendered contemporaneously with the entry of this Order is accepted.

(3) This case is dismissed and the papers herein be placed in the file for ended causes.

CASE NO. PUE980717
DECEMBER 17, 1998

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
BYERS LOCATE SERVICES, LLC,
Defendant

ORDER OF SETTLEMENT

Pursuant to § 56-265.30 of the Code of Virginia, the Virginia State Corporation Commission ("Commission") is charged with enforcing the provisions of the Underground Utility Damage Prevention Act, §§ 56-265.14 et seq. of the Code of Virginia. The Commission's Division of Energy Regulation ("Division"), after having conducted an investigation of this matter, alleges that:

(1) On or about May 19, 1998, Virginia Electric and Power Company damaged a three-quarter inch plastic gas service line operated by Washington Gas Light Company located at or near 4152 Vernoy Hills Road, Fairfax, Virginia, while excavating;

(2) On or about May 29, 1998, Deck America, Inc. damaged a one-half inch plastic gas service line operated by Washington Gas Light Company located at or near 7502 Shirley Hunter Way, Fairfax, Virginia, while excavating;

(3) On or about June 18, 1998, Leo Construction Company damaged a three-quarter inch plastic gas service line operated by Washington Gas Light Company located at or near Lot # 62 Firestone Place, Loudon, Virginia, while excavating; and

(4) Byers Locate Services, LLC ("the Company") caused such damages by failing to mark the approximate horizontal location of the line on the ground to within two feet of either side of the underground utility line, in violation of § 56-265.19 A of the Code of Virginia.

As evidenced in the attached Admission and Consent document, the Company neither admits nor denies these allegations, but admits the Commission's jurisdiction and authority to enter this Order. As an offer to settle all matters before the Commission arising from the Division's allegations made herein, the Company represents and undertakes that it will pay a civil penalty to the Commonwealth of Virginia in the amount of $8,550 to be paid contemporaneously with the entry of this Order. This payment will be made by cashier's check or money order, payable to the Treasurer of Virginia and directed to the attention of the Director of the Division of Energy Regulation.

The Commission, being advised by the Staff and finding sufficient basis herein for the entry of this Order, hereby accepts this settlement. Accordingly,

IT IS ORDERED THAT:

(1) Pursuant to the authority granted the Commission by § 12.1-15 of the Code of Virginia, the offer of settlement made by the Company be, and it hereby is, accepted.

(2) The sum of $8,550 tendered contemporaneously with the entry of this Order is accepted.

(3) This case is dismissed and the papers herein be placed in the file for ended causes.

CASE NO. PUE980719
NOVEMBER 20, 1998

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
WASHINGTON GAS LIGHT COMPANY,
Defendant

ORDER OF SETTLEMENT

Pursuant to § 56-265.30 of the Code of Virginia, the Virginia State Corporation Commission ("Commission") is charged with enforcing the provisions of the Underground Utility Damage Prevention Act, §§ 56-265.14 et seq. of the Code of Virginia. The Commission's Division of Energy Regulation ("Division"), after having conducted an investigation of this matter, alleges that:

(1) On or about June 25, 1998, R. B. Hinkle Construction, Inc. damaged a three-quarter inch plastic gas service line operated by Washington Gas Light Company ("the Company") located at or near 20782 Quiet Brook Place, Loudoun, Virginia, while excavating;

(2) On or about July 3, 1998, Concrete Scaping, Inc. damaged a three-eighths inch plastic gas service line operated by the Company located at or near 9398 Lafayette Avenue, Manassas, Virginia, while excavating;

(3) On or about July 16, 1998, William A. Hazel, Inc. damaged a one-half inch copper gas service line operated by the Company located at or near 6539 Hitt Avenue, McLean, Virginia, while excavating;

(4) On or about August 5, 1998, Triple H Contracting, Incorporated damaged a one-half inch copper gas service line operated by the Company located at or near 6612 Red Jacket Road, Burke, Virginia, while excavating;

(5) On or about August 11, 1998, D. A. Foster Company damaged a one-half inch plastic gas service line operated by the Company located at or near 6073 Wycoff Square, Centerville, Virginia, while excavating;

(6) On or about August 11, 1998, Triple H Contracting, Incorporated damaged a one-half inch copper gas service line operated by the Company located at or near 8800 Law Court, Springfield, Virginia, while excavating;

(7) On or about August 13, 1998, Capitol Cable Construction damaged a one and one-quarter inch steel gas service line operated by the Company located at or near 3110 Mount Vernon Avenue, Alexandria, Virginia, while excavating;

(8) On or about August 17, 1998, Ross Contracting damaged a one and one-half inch steel gas service line operated by the Company located at or near 6211 Leesburg Pike, Falls Church, Virginia, while excavating;

(9) On or about August 18, 1998, Battlefield Utility Contractors, Incorporated damaged a one-half inch plastic gas service line operated by the Company located at or near 14413 Jefferson Davis Highway, Woodbridge, Virginia, while excavating;

(10) On or about August 21, 1998, Bob Porter Company, Inc. damaged a two inch plastic gas service line operated by the Company located at or near 1414 South 24th Street, Arlington, Virginia, while excavating;

(11) On or about August 24, 1998, Hilton Cable Enterprises, Inc. damaged a one-half inch plastic gas service line operated by the Company located at or near 8407 Frost Way, Fairfax, Virginia, while excavating;

(12) On or about August 24, 1998, Martin and Gass, Incorporated damaged a one-half inch plastic gas service line operated by the Company located at or near 2928 Marshall Street, Falls Church, Virginia, while excavating;

(13) On or about August 26, 1998, Triple H Construction damaged a three-quarter inch plastic gas service line operated by the Company located at or near 6340 Meriwether Lane, Springfield, Virginia, while excavating; and

(14) The Company caused such damages by failing to mark the approximate horizontal location of the lines on the ground to within two feet of either side of the underground utility lines, in violation of § 56-265.19 A of the Code of Virginia.

As evidenced in the attached Admission and Consent document, the Company neither admits nor denies these allegations, but admits the Commission's jurisdiction and authority to enter this Order. As an offer to settle all matters before the Commission arising from the Division's allegations made herein, the Company represents and undertakes that:

(1) The Company will pay a civil penalty to the Commonwealth of Virginia in the amount of $9.900 to be paid contemporaneously with the entry of this Order. This payment will be made by cashier's check or money order, payable to the Treasurer of Virginia and directed to the attention of the Director of the Division of Energy Regulation.

(2) Any fines paid in accordance with this order shall not be recovered in the Company's rates as part of the cost of service. Any such fines shall be booked in Uniform System of Account No. 426.3. The Company shall verify its booking by filing a copy of the trial balance showing this entry with the Division of Public Utility Accounting.

The Commission, being advised by the Staff and finding sufficient basis herein for the entry of this Order, hereby accepts this settlement. Accordingly,

IT IS ORDERED THAT:

(1) Pursuant to the authority granted the Commission by § 12.1-15 of the Code of Virginia, the offer of settlement made by the Company be, and it hereby is, accepted.

(2) The sum of $9,900 tendered contemporaneously with the entry of this Order is accepted.

(3) This case is dismissed and the papers herein be placed in the file for ended causes.

CASE NO. PUE980727
DECEMBER 1, 1998

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

To revise its fuel factor pursuant to § 56-249.6 of the Code of Virginia

ORDER ESTABLISHING 1998-99 FUEL FACTOR

On October 19, 1998, Virginia Electric and Power Company ("Virginia Power" or "the Company") filed an application, testimony and exhibits with the Commission wherein the Company proposed to increase its zero-based fuel factor from 1.050¢/kWh to 1.152¢/kWh, for the period December 1,

1998, through November 30, 1999. By Order dated October 21, 1998, the Commission established a schedule for hearing and for the filing of testimonies and provided an opportunity for any interested person to participate in the hearing as a Protestant.

The Virginia Committee for Fair Utility Rates filed a Notice of Protest. By letter dated November 24, 1998, it changed its status from Protestant to Intervenor.

On November 18, 1998, Staff filed testimony wherein it recommended that the Commission approve the proposed total fuel factor of 1.152¢/kWh to become effective with usage on and after December 1, 1998. The Staff further recommended that Virginia Power's future fuel factor filings include a detailed explanation of all modifications and refinements incorporated into the Company's energy margins forecast.

The Staff and Company stipulated all issues in this matter. The Virginia Committee for Fair Utility Rates did not oppose the proposed stipulation.

The hearing was held on November 30, 1998. The Company tendered its proof of service at the commencement of the hearing, and in accordance with the stipulation, its application, exhibits, and testimony were accepted into the record without cross-examination. The Staff's testimony, filed November 18, 1998, was also accepted into the record without cross-examination.

Upon consideration of the record in this case, the Commission is of the opinion that Virginia Power's proposed fuel factor of 1.152¢/kWh is appropriate based on projected fuel expenses. Approval of this factor, however, is not construed as approval of the Company's actual fuel expenses. For each calendar year, the Commission's Staff conducts an audit and investigation which addresses, among other things, the appropriateness and reasonableness of the Company's booked fuel expenses. Staff's results are documented in an Annual Report ("Staff's Annual Report"). A copy of Staff's Annual Report is sent to the Company and to each party who participated in the Company's last fuel factor proceeding, all of whom are provided with an opportunity to comment and request a hearing on the report.

Based on Staff's Annual Report, and any comments or hearing thereon, the Commission enters an Order entitled "Final Audit for Twelve-Month Period Ending December 31, 19__, Fuel Cost-Recovery Position," hereinafter referred to as "Final Audit Order." Notwithstanding any findings made by the Commission in an earlier order establishing the Company's fuel factor based on estimates of future expenses and unaudited booked expenses, the Final Audit Order will be the final determination of not only what are in fact allowable fuel expenses and credits, but also the Company's over or underrecovery position as of the end of the audit period. Should the Commission find in its Final Audit Order (1) that any component of the Company's actual fuel expenses or credits has been inappropriately included or excluded, or (2) that the Company has failed to make every reasonable effort to minimize fuel costs or has made decisions resulting in unreasonable fuel costs, the Company's recovery position will be adjusted. This adjustment will be reflected in the recovery position at the time of the Company's next fuel factor proceeding. We reiterate that no finding in this order is final, as this matter is continued generally, pending Staff's audit of actual fuel expenses. Accordingly,

IT IS ORDERED THAT:

(1) A total fuel factor of 1.152¢/kWh be, and hereby is, approved and effective for usage on and after December 1, 1998.

(2) Additionally, in its next fuel factor application, the Company should include a detailed explanation of all modifications and refinements incorporated into the Company's energy margins forecasting methodology, as discussed in Staff witness Stavrou's testimony.

(3) This case shall be continued generally.

CASE NO. PUE980811
DECEMBER 7, 1998

APPLICATION OF
THE WATERWORKS COMPANY OF FRANKLIN COUNTY

To revise tariff

ORDER SUSPENDING REVISIONS AND SCHEDULING HEARING

On November 16, 1998, the Commission's Division of Energy Regulation received from The Waterworks Company of Franklin County ("Company") copies of a revised tariff and notice to customers filed as required by Rule 4 of the Commission's Rules Implementing the Small Water or Sewer Public Utility Act, 20 VAC 5-200-40 ("Small Water Act Rules"), and § 56-265.13:5 B of the Code of Virginia. As set out in its revised tariff, the Company proposes to increase its rates and charges for water service. It would charge a flat rate of $80.50 per quarter, paid in advance, and an availability fee of $100.00 per year. The Company also proposes hook-up and connection fees of $1,250. The revised rates and charges would take effect January 1, 1999. The notice to customers included in the filing was dated November 13, 1998.

The Commission finds that, as provided by § 56-265.13:6 A of the Code of Virginia and Rule 7 of the Small Water Act Rules, the proposed availability fee and the proposed hookup and connection fee shall be suspended 60 days. Thereafter the proposed fees shall be interim and subject to refund with interest until the Commission has made a final determination in this proceeding. The Commission will not suspend the proposed minimum quarterly charge of $80.50. The proposed charge is declared interim and shall be subject to refund with interest. The Commission also finds that this matter should be assigned to a hearing examiner who will conduct a hearing on the application. Accordingly,

IT IS ORDERED THAT:

(1) The Company's application shall be docketed; be assigned Case No. PUE980811; and that all associated papers be filed therein.

(2) The proposed availability fee and hookup and connection fee bearing an effective date of January 1, 1999, be suspended for 60 days, or to and through March 1, 1999, and thereafter proposed rates and charges shall be interim and subject to refund with interest until the Commission makes a final determination in this proceeding.

(3) The proposed minimum quarterly charge be declared interim and subject to refund with interest.

(4) As provided by § 12.1-31 of the Code of Virginia and Rule 7:1 of the Commission's Rules of Practice and Procedure ("Rules of Practice"), 5 VAC 5-10-520, a hearing examiner be assigned to conduct further proceedings on behalf of the Commission and to file a final report with transcript.

(5) A public hearing be held on this application beginning at 10:00 a.m. on February 3, 1999, in the Commission's courtroom, Second Floor, Tyler Building, 1300 East Main Street, Richmond, Virginia.

(6) On or before December 29, 1998, the Company shall file with the Clerk of the Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118, an original and ten (10) copies of the testimony and exhibits that it intends to offer at the hearing in support of its application; prepared testimony and exhibits shall include the information required in Rule 8 of the Small Water Act Rules, 20 VAC 5-200-40.

(7) The Commission Staff shall investigate the application and, on or before January 22, 1999, shall file with the Clerk of the Commission an original and ten (10) copies of the testimony and exhibits that it expects to offer at the hearing and shall serve one (1) copy on all parties.

(8) On or before December 29, 1998, any person who expects to offer testimony and exhibits; to cross-examine witnesses; and to participate as a Protestant, as provided by Rules 4:6 and 8:2 of the Rules of Practice, 5 VAC 5-10-180, -540, shall, as required by Rule 5:16(a) of the Rules of Practice, 5 VAC 5-10-420(a), file with the Clerk of the Commission a notice of protest and shall simultaneously serve a copy on Robert A. Winney, The Waterworks Company of Franklin County, 430 Windtree Drive, Moneta, Virginia 24121-3106.

(9) Within five (5) days of receipt of a notice of protest, the Company shall serve upon the filer a copy of its proposed tariff and a copy of all testimony and exhibits that it expects to offer at the hearing.

(10) On or before January 22, 1999, each Protestant shall file with the Clerk an original and ten (10) copies of its protest, as required by Rule 5:16(b), 5 VAC 5-10-420(b), and an original and ten (10) copies of the testimony and exhibits that it intends to offer in support of its protest and shall serve one (1) copy of the protest, testimony and exhibits on the Company and on all other parties.

(11) The Company shall promptly make available for public inspection at the Franklin Public Library, 138 East Court Street, Rocky Mount, Virginia, copies of its proposed tariff and copies of all materials which it will file with the Clerk of the Commission.

(12) Individuals with disabilities who require an accommodation to participate in the hearing should contact the Commission at least seven (7) days before the scheduled hearing date at 1-800-552-7945 (voice) or 1-804-371-9206 (TDD).

(13) Written comments on this application may be addressed to the clerk of the Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118. Comments should refer to Case No. PUE980811 and should be received by January 22, 1999. Any persons desiring to make a statement at the public hearing need only appear in the Commission's second floor courtroom at 9:45 a.m. on the day of the hearing and contact the Bailiff.

(14) On or before December 16, 1998, the Company shall serve a copy of this order by first-class mail, postage prepaid, on all customers.

(15) On or before December 30, 1998, the Company shall file with the Clerk a certificate stating the date of mailing and the name and mailing address of all customers served.

CASE NO. PUE980895
DECEMBER 23, 1998

APPLICATION OF
WASHINGTON GAS LIGHT COMPANY

For a further amendment to Pilot Delivery Service Program

ORDER GRANTING MOTION FOR FURTHER AMENDMENT TO PILOT DELIVERY SERVICE PROGRAM

In a motion filed on December 21, 1998, Washington Gas Light Company("WGL" or "the Company") requests further amendment to the Pilot Delivery Service Program approved by the Commission by Final Order issued June 18, 1998, in Case No. PUE971024, as subsequently amended by order issued November 3, 1998, in Case No. PUE980631. In its motion, the Company requests authority to expand the number of commercial and industrial customers eligible for service under Rate Schedule No. 2A from 10% to the number of applications received on behalf of such customers on or before December 9, 1998, the cut-off date for application for service commencing January 1, 1999. The Company states that, if such expansion is allowed, the program would be closed to such customers until the second year when the Company would reevaluate the participation level for this customer class.

In support of its motion, WGL states that it has now received applications on behalf of approximately 16% of the commercial and industrial customer class and that the proposed expansion is the most equitable way to address the unanticipated high level of interest by such customers. WGL also states that it will be required to ration participation by such class if the proposed expansion is not granted and that such rationing will cause confusion and dissatisfaction with the program among such customers.

NOW THE COMMISSION, having considered the matter, is of the opinion that the Company's request is reasonable and should be granted. Accordingly,

IT IS ORDERED THAT:

(1) The Company's request to amend further the pilot firm delivery service program approved in the above referenced orders be, and hereby, is granted.

(2) WGL shall be permitted to expand the number of commercial and industrial class customers eligible for service under Rate Schedule No. 2A from 10% to the number of applications received, on or before December 9, 1998, on behalf of such customers.

(3) This matter shall be continued generally.

DIVISION OF ECONOMICS AND FINANCE

CASE NO. PUF970019
APRIL 27, 1998

IN THE MATTER OF
VIRGINIA ELECTRIC AND POWER COMPANY

Interest Rate Swap Agreements

ORDER REQUIRING JOINT STIPULATION

On June 20, 1997, Virginia Electric and Power Company ("the Company", "Virginia Power") filed a pleading entitled "Motion for Ruling," in which it stated that it intends to enter into interest rate swap agreements from time to time. The Company's motion sought a ruling that swap transactions do not require Commission approval under Chapter 3 of Title 56 of the Code of Virginia.

The Commission, by Order dated November 24, 1997, found that interest rate swap agreements are securities as defined in Chapter 3 of Title 56 of the Code of Virginia and require Commission approval prior to execution. The Commission also granted Virginia Power authority to enter into interest rate swap agreements from time to time, in notional amounts not to exceed $500,000,000. Such authority was granted through December 31, 1999.

On December 11, 1997, Virginia Power filed a motion with the Commission asking for reconsideration of the November 24, 1997 Order. The Company asserts that the determination that swaps are securities has implications far beyond rate cases and rate impacts on Virginia Power's customers. The Company requested that it be provided the opportunity to introduce evidence and be heard on the matter.

On December 15, 1997, the Commission granted Virginia Power's motion for reconsideration. The Commission stated that, by subsequent order, it would establish a procedural schedule for the purposes of reconsidering its order.

NOW THE COMMISSION, upon consideration of the Company's motion and in order to introduce evidence into the record, is of the opinion and finds that the Company and our Staff should jointly file a stipulation of facts and a list detailing points which remain in contention, if any. If following the filing of the stipulation, the Company or Staff feels that a hearing is necessary, either can request one. Such request shall detail what evidence will be offered at the hearing and explain why such a hearing is warranted. Accordingly,

IT IS ORDERED THAT:

1) On or before June 4, 1998, Virginia Power and Staff shall file a joint stipulation of facts related to interest rate swap transactions, together with a list of points that remain in contention.

2) On or before June 11, 1998 the Company or Staff may file a request for a hearing.

CASE NO. PUF970038
JANUARY 7, 1998

APPLICATION OF
ROANOKE GAS COMPANY

For authority to issue common stock

ORDER GRANTING AUTHORITY

On December 8, 1997, Roanoke Gas Company ("Roanoke" or "Applicant") filed an application under Chapter 3 of Title 56 of the Code of Virginia requesting authority to issue 170,000 shares of common stock through a public offering. Applicant paid the requisite fee of $250.

By letter dated December 15, 1997, Applicant amended its application to increase the authorized shares to 182,000. Roanoke indicates that the proposed issuance will help finance the Company's 1998 capital budget, strengthen the Company's balance sheet and position the Company for additional debt leverage potential in support of capital additions. The issuance also will help the Company reach its target capitalization ratios. The stock is expected to be issued in the first quarter of 1998. Issuance expenses are estimated to be approximately $192,500.

THE COMMISSION, upon consideration of the application and having been advised by its Staff, is of the opinion and finds that approval of the application will not be detrimental to the public interest. Accordingly,

IT IS ORDERED THAT:

1) Applicant is hereby authorized to issue and sell up to 182,000 shares of its common stock in a public offering under the terms and conditions and for the purposes set forth in the application.

2) Applicant shall submit a preliminary Report of Action within ten (10) days after the issuance of common stock pursuant to this authority, to include the date(s) of issuance, the total number of shares of common stock issued, and the price per share.

3) Applicant shall submit a Final Report of Action on, or before, May 29, 1998, to include the date(s) of issuance, the total number of shares of common stock issued, the price per share, a explanation of the determination of the stock price, an itemized list of expenses to date associated with the issuance, and a balance sheet reflecting the actions taken.

4) Approval of this application shall have no implications for ratemaking purposes.

5) This matter shall be continued, subject to the continuing review, audit and appropriate directive of the Commission.

CASE NO. PUF970040
JANUARY 8, 1998

APPLICATION OF
CRAIG-BOTETOURT ELECTRIC COOPERATIVE

For authority to issue long-term debt

ORDER GRANTING AUTHORITY

On December 18, 1997, Craig-Botetourt Electric Cooperative ("Craig-Botetourt" or "Applicant") filed an application under Chapter 3 of Title 56 of the Code of Virginia requesting authority to incur long-term indebtedness with the Rural Utilities Services ("RUS") and the National Rural Utilities Cooperative Finance Corporation ("CFC"). Applicant has paid the requisite fee of $250.

Applicant requests authority to obtain financing from RUS in the amount of $1,750,000 and from CFC in the amount of $750,000. The proceeds will be used to fund new construction and system improvements. The two portions of the loan will have concurrent maturities of thirty-five years. The loan from RUS may be drawn down from time to time and will carry a rate equal to the RUS Municipal Rate as published in the Federal Register in effect at the time of drawdown, not to exceed 7% per year. The CFC loan may have a variable or fixed interest rate depending on market conditions at the time of the drawdown.

THE COMMISSION, upon consideration of the application and having been advised by its Staff, is of the opinion and finds that approval of the application will not be detrimental to the public interest. Accordingly,

IT IS ORDERED THAT:

1) Applicant is hereby authorized to borrow up to $1,750,000 from RUS and to borrow up to $750,000 from CFC, under the terms and conditions and for the purposes set forth in the application.

2) Within thirty (30) days of the date of any advance of funds from either RUS or CFC, Applicant shall file with the Commission's Division of Economics and Finance a Report of Action which shall include the amount of the advance, the interest rate selected, and the interest rate maturity.

3) Approval of this application shall have no implications for ratemaking purposes.

4) There being nothing further to be done, this matter is hereby dismissed.

CASE NO. PUF980001
FEBRUARY 11, 1998

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For authority to issue debt securities

ORDER GRANTING AUTHORITY

On January 26, 1998, Virginia Electric and Power Company ("Virginia Power", "the Company") filed an application under Chapter 3 of Title 56 of the Code of Virginia for authority to issue up to $375 million of debt securities. The requisite fee of $250 has been paid.

The securities may be issued as First and Refunding Mortgage Bonds ("the Bonds"), Senior Notes or Senior Subordinated Notes (collectively, "the Debt Securities"). The Bonds will be issued at fixed rates with maturities of up to forty (40) years. The Senior Notes and Senior Subordinated Notes may be issued at either fixed or variable rates and will not be limited with regard to maturity. The Applicant did not specify the time period during which the Debt Securities will be issued. The proceeds from the Debt Securities will be used to meet ongoing capital requirements such as construction, maintenance and the refunding of outstanding securities.

The Company requests that the authority granted in this case replace the authority granted in Case No. PUF950006 wherein Virginia Power was authorized to issue up to $500 million of mortgage bonds. Of the $500 million authorized, $200 million of mortgage bonds have been issued under that case.

On February 9, 1998, Virginia Power filed a report of action in Case No. PUF950006 which provided the remaining information needed to satisfy the reporting requirements in that case. Based on the information provided by the Company, it appears that the actions taken in Case No. PUF950006 were in accordance with the authority granted.

THE COMMISSION, upon consideration of the application and having been advised by its Staff, is of the opinion and finds that approval of the application will not be detrimental to the public interest. However, the authority should be granted for a limited period of time, through March 31, 2000. Accordingly,

IT IS ORDERED THAT:

1) Virginia Power is hereby authorized to issue up to $375 million of debt securities through March 31, 2000, under the terms and conditions and for the purposes set forth in the application, provided that the issuance of any refunding securities results in cost savings to Virginia Power;

2) The Applicant shall promptly file with the Commission a copy of the Securities and Exchange Commission registration statement in its final form;

3) Within ten (10) days after any debt is issued pursuant to this Order, the Applicant shall file a preliminary report of action containing the dates of issue and maturity, amount issued, price to the public, coupon rate, spread over U.S. Treasury securities of comparable maturity, and an explanation for the maturity chosen;

4) Within sixty (60) days after the end of each calendar quarter in which any debt securities are issued, the Applicant shall file a detailed report of action containing the information in ordering paragraph (3) together with the net proceeds to the Applicant, use of the proceeds, an itemized list of expenses to date associated with each issue, a list of all contracts and agreements executed in connection with the sale or marketing of the Debt Securities, interest rates and spreads over U.S. Treasury securities of comparable maturity for recent issues of similar credit quality and terms, cost of negative carry with supporting calculations, a comparison of the effective rates on the new Debt Securities and any refunding debt issued to demonstrate savings to Applicant, a statement regarding the remaining amount of Debt Securities which may be issued with respect to the authority granted herein, and a balance reflecting the actions taken;

5) Applicant shall file a final report of action on or before June 30, 2000, to include then-current actual expenses with an explanation of variances from the original estimated expenses and any information in ordering paragraph (4) not previously submitted;

6) The authority granted herein shall have no implications for ratemaking purposes;

7) This matter shall be continued subject to the continuing review, audit, and directive of the Commission;

8) The authority granted herein terminates and supersedes the authority granted in Case No. PUF950006; and

9) There appearing nothing further to be done in Case No. PUF950006, it is hereby dismissed.

CASE NO. PUF980002
FEBRUARY 19, 1998

APPLICATION OF
SOUTHSIDE ELECTRIC COOPERATIVE

For authority to issue long-term debt

ORDER GRANTING AUTHORITY

On February 10, 1998, Southside Electric Cooperative ("Southside" or "Applicant) filed an application under Chapter 3 of Title 56 of the Code of Virginia requesting authority to incur long-term indebtedness with the Rural Utilities Services ("RUS") and the National Rural Utilities Cooperative Finance Corporation ("CFC"). Applicant has paid the requisite fee of $250.

By letter dated February 17, 1998, Applicant amended its application to correct an error. According to the corrected application, Applicant requests authority to obtain financing from RUS in the amount of $17,045,000 and from CFC in the amount of $7,305,000 over the next four years. The proceeds of the loans will be used to make certain extensions of and improvements to its system.

Applicant requests the flexibility to choose the maturity and interest rate of the loans at the time that the funds are advanced from the lenders. The current rate on a 35-year RUS loan is 5.25%. At the beginning of February, CFC was offering a long-term variable rate of 6.55% and a 30-year fixed rate of 7.30%.

THE COMMISSION, upon consideration of the application and having been advised by its Staff, is of the opinion and finds that approval of the application will not be detrimental to the public interest. Accordingly,

IT IS ORDERED THAT:

1) Applicant is hereby authorized to borrow up to $17,045,000 from RUS and to borrow up to $7,305,000 from CFC, under the terms and conditions and for the purposes set forth in the application as amended.

2) Within thirty (30) days of the date of any advance of funds from either RUS or CFC, Applicant shall file with the Commission's Division of Economics and Finance a Report of Action which shall include the amount of the advance, the interest rate selected, and the interest rate maturity.

3) Applicant shall seek Commission approval to convert to variable interest rates on the CFC portion of the loans after a fixed rate is selected.

4) Approval of this application shall have no implications for ratemaking purposes.

5) There being nothing further to be done, this matter is hereby dismissed.

CASE NO. PUF980003
MARCH 11, 1998

APPLICATION OF
GTE SOUTH INCORPORATED

For authority to incur short-term indebtedness

ORDER GRANTING AUTHORITY

On February 13, 1998, GTE South, Incorporated ("GTE South", or "Applicant") filed an application under Chapter 3 of Title 56 of the Code of Virginia requesting authority to incur short-term indebtedness in an amount not exceeding $375,000,000 in the aggregate through December 31, 1998. The amount of short-term debt proposed in this application is in excess of twelve percent of total capitalization as defined in Section 56-65.1 of the Code of Virginia. Applicant has paid the requisite fee of $250.

The proposed short-term indebtedness will be in the form of demand notes to GTE Funding Corporation, an affiliate. GTE Funding Corporation issues commercial paper and provides cash management services on behalf of Applicant and several other GTE Telephone Operating Companies. Applicant states that such affiliate borrowing is within the authority granted by Commission Order dated September 9, 1996, in Case No. PUF960010. Interest rates will vary daily depending on market conditions.

Applicant states that the short-term borrowings will be used to reimburse its treasury for past operational and construction expenditures, to fund ongoing operations and construction programs, to meet 1998 capital expenditure requirements, to retire current maturities of long-term debt, and to refund certain high-coupon issues of long-term debt during the year if market conditions remain favorable to do so.

THE COMMISSION, upon consideration of the application and having been advised by its Staff, is of the opinion and finds that approval of the application will not be detrimental to the public interest. Accordingly,

IT IS ORDERED THAT:

1) Applicant is hereby authorized to incur total short-term indebtedness in excess of twelve percent of total capitalization in an aggregate amount not to exceed $375,000,000 at any one time through December 31, 1998, for the purposes and under the terms and conditions set forth in the application.

2) Approval of this application does not preclude the Commission from applying the provision of Sections 56-78 and 56-80 of the Code of Virginia hereafter.

3) The Commission reserves the right to examine the books and records of any affiliate, whether or not such affiliate is regulated by this Commission, in connection with the authority granted herein, pursuant to Section 56-79 of the Code of Virginia.

4) Approval of this application shall have no implications for ratemaking purposes.

5) On or before March 1, 1999, Applicant shall file a report of action taken pursuant to the authority granted herein, to include: a schedule of the daily balance of all short-term borrowings and repayments of short-term debt from January 1, 1997, through December 31, 1998; an indication of the source of such borrowings; corresponding interest rates on all reported short-term debt transactions; a balance sheet and statement of cash flows for Applicant as of December 31, 1998.

6) This matter shall be continued, subject to the continuing review, audit, and appropriate directive of the Commission.

CASE NO. PUF980004
MARCH 19, 1998

APPLICATION OF
GTE SOUTH INCORPORATED

For authority to issue long-term debt

ORDER GRANTING AUTHORITY

On February 20, 1998, GTE South Incorporated ("GTE" or "Applicant") filed an application under Chapter 3 of Title 56 of the Code of Virginia requesting authority to issue long-term debt. Applicant has paid the requisite fee of $250.

GTE proposes to issue and sell up to $225,000,000 of New Notes or Debentures ("New Notes") through December 31, 2000. The proposed financing will be filed as a shelf registration with the Securities and Exchange Commission, which will provide GTE the ability to issue the securities within two to three years of registration. Applicant states that the net proceeds from the sale of the New Notes will be used to: 1) repay short-term obligations used to finance the Company's construction program, 2) retire $4 million of current maturities of long-term debt during 1998, 3) call $32 million of high-coupon securities during the year if the current interest rate environment prevails, and/or 4) fund changes in its working capital requirements.

Applicant indicates that the securities will be issued at prevailing interest rates at the time of issuance. GTE expects the interest rates to be in the range of 6.00% to 7.50%, depending on the length of maturity chosen. The interest rate will be fixed to maturity and maturities will be between five and forty years. GTE would like the flexibility to choose either private placement, negotiated sale through underwriters or public offering via competitive bidding as the method for selling or marketing the securities.

THE COMMISSION, upon consideration of the application and having been advised by its Staff, is of the opinion and finds that approval of the application will not be detrimental to the public interest. Accordingly,

IT IS ORDERED THAT:

1) Applicant is hereby authorized to issue and sell up to $225,000,000 of New Notes through December 31, 2000, all in the manner, and under the terms and conditions, and for the purposes set forth in the application, provided that any issuances intended for refunding results in savings to Applicant.

2) Applicant shall submit a preliminary Report of Action within ten (10) days after the issuance of any New Notes pursuant to this authority, to include the date(s) of the issuance, the amount of debt issued, the interest rate and the maturity.

3) Within sixty days (60) of the end of any quarter in which debt is issued, Applicant shall submit a more detailed Report of Action related to the New Notes issued by GTE to include: a detailed analysis of the savings due to refunding, if applicable, showing the effective cost rates of the redeemed long-term debt compared to the New Notes, all terms and conditions of the New Notes, an itemized listing of all fees and/or issuance expenses associated with the New Notes to include a detailed account of any loss on reacquired debt, net proceeds to Applicant, a list describing any filings, contracts, or agreements executed in conjunction with the New Notes, and a GTE balance sheet reflecting the actions taken.

4) On or before February 28, 2001, Applicant shall file a Final Report of Action to include the information in ordering paragraph (3) above as appropriate plus a cumulative total of debt issued pursuant to this authority and a cumulative total of issuance expenses to date.

5) Approval of this application shall have no implications for ratemaking purposes.

6) This matter shall be continued, subject to the continued review, audit and appropriate directive of the Commission.

CASE NO. PUF980005
MARCH 19, 1998

APPLICATION OF
NORTHERN NECK ELECTRIC COOPERATIVE

For authority to issue long-term debt

ORDER GRANTING AUTHORITY

On February 23, 1998, Northern Neck Electric Cooperative ("Company" or "Applicant") filed an application under Chapter 3 of Title 56 of the Code of Virginia requesting authority to incur long-term indebtedness with the Rural Utilities Services ("RUS") and the National Rural Utilities Cooperative Financing Corporation ("CFC"). Applicant has paid the requisite fee of $250.

Applicant requests authority to obtain financing from RUS in the amount of $1,729,000 and from CFC in the amount of $741,000. The proceeds will be used to fund new construction and system improvements as approved by RUS in the Company's three year work plan. The two portions of the loan will have concurrent maturities of thirty-five years. The loan from RUS may be drawn down from time to time and will carry a rate not to exceed 7% per year. The CFC loan may have a variable or fixed interest rate depending on market conditions at the time of the drawdown.

THE COMMISSION, upon consideration of the application and having been advised by its Staff, is of the opinion and finds that approval of the application will not be detrimental to the public interest. Accordingly,

IT IS ORDERED THAT:

1) Applicant is hereby authorized to borrow up to $1,729,000 from RUS and to borrow up to $741,000 from CFC, under the terms and conditions and for the purposes set forth in the application.

2) Within thirty (30) days of the date of any advance of funds from either RUS or CFC, Applicant shall file with the Commission's Division of Economics and Finance a Report of Action which shall include the amount of the advance, the interest rate selected, and the interest rate maturity.

3) Applicant shall seek Commission approval to convert to variable interest rates on the CFC loan once a fixed rate is selected.

4) Approval of this application shall have no implications for ratemaking purposes.

5) There being nothing further to be done, this matter is hereby dismissed.

CASE NO. PUF980006
MARCH 26, 1998

APPLICATION OF
CENTRAL VIRGINIA ELECTRIC COOPERATIVE

For authority to issue long-term debt

ORDER GRANTING AUTHORITY

On March 9, 1998, Central Virginia Electric Cooperative ("Company" or "Applicant") filed an application under Chapter 3 of Title 56 of the Code of Virginia requesting authority to incur long-term indebtedness with the Rural Utilities Services ("RUS") and the National Rural Utilities Cooperative Financing Corporation ("CFC"). Applicant has paid the requisite fee of $250.

Applicant requests authority to obtain financing from RUS in the amount of $8,330,000 and from CFC in the amount of $3,570,000. The proceeds will be used to fund new construction and system improvements as approved by RUS in the Company's revised two-year work plan. The two portions of the loan will have concurrent maturities of thirty-five years. The loan from RUS may be drawn down from time to time and will carry a rate not to exceed 7% per year. The CFC loan may have a variable or fixed interest rate depending on market conditions at the time of the drawdown.

THE COMMISSION, upon consideration of the application and having been advised by its Staff, is of the opinion and finds that approval of the application will not be detrimental to the public interest. Accordingly,

IT IS ORDERED THAT:

1) Applicant is hereby authorized to borrow up to $8,330,000 from RUS and to borrow up to $3,570,000 from CFC, under the terms and conditions and for the purposes set forth in the application.

2) Within thirty (30) days of the date of any advance of funds from either RUS or CFC, Applicant shall file with the Commission's Division of Economics and Finance a Report of Action which shall include the amount of the advance, the interest rate selected, and the interest rate maturity.

3) Applicant shall seek Commission approval to convert to variable interest rates on the CFC loan once a fixed rate is selected.

4) Approval of this application shall have no implications for ratemaking purposes.

5) There being nothing further to be done, this matter is hereby dismissed.

CASE NO. PUF980007
MAY 15, 1998

APPLICATION OF
ATMOS ENERGY CORPORATION

For authority to issue long-term debt

ORDER GRANTING AUTHORITY

On April 22, 1998, Atmos Energy Corporation ("Applicant" or "Atmos") filed an application with the Commission under Chapter 3 of Title 56 of the Code of Virginia for authority to issue long-term debt. Applicant has paid the requisite fee of $250.

Applicant requests authority to borrow up to $150,000,000 in unsecured notes or debentures ("Debt Securities") through a shelf registration filed with the Securities and Exchange Commission. Applicant states that the funds will be used for the repayment of short-term debt. The Debt Securities may have maturities up to 30 years, and the interest rate and other terms and conditions will be determined at the time of issuance.

THE COMMISSION, upon consideration of the application and having been advised by its Staff, is of the opinion and finds that approval of the application will not be detrimental to the public interest. However, the Commission is of the opinion and finds that the authority to issue the Debt Securities should be limited to one year from the date of this order. Accordingly,

IT IS ORDERED THAT:

1) Applicant is hereby authorized to issue Debt Securities up to $150,000,000 under the terms and conditions and for the purposes set forth in the application, for a period of one year from the date of this order.

2) Applicant shall file within ten (10) days after any Debt Securities are issued under this authority, a preliminary report of action to include the date, amount, coupon interest rate, and comparable U.S. Treasury rate on the day of issue.

3) Applicant shall file on or before June 1, 1999, a final report of action to include the date, amount, coupon interest rate, schedule of issuance costs paid to date with an explanation of any variance with the expenses contained in the financing summary contained in the application, calculation of the effective interest rate on the new Debt Securities, and a balance sheet reflecting actions taken.

4) The authority granted herein shall have no implications for ratemaking purposes.

5) This matter shall remain under the continued review, audit and appropriate directive of the Commission.

CASE NO. PUF980008
MAY 15, 1998

APPLICATION OF
MECKLENBURG ELECTRIC COOPERATIVE

For authority to issue long-term debt

ORDER GRANTING AUTHORITY

On April 23, 1998, Mecklenburg Electric Cooperative ("Company" or "Applicant") filed an application under Chapter 3 of Title 56 of the Code of Virginia requesting authority to incur long-term indebtedness with the Rural Utilities Services ("RUS") and the National Rural Utilities Cooperative Financing Corporation ("CFC"). Applicant has paid the requisite fee of $250.

Applicant requests authority to obtain financing from RUS in the amount of $9,800,000 and from CFC in the amount of $4,200,000. The proceeds will be used to fund new construction and system improvements as approved by RUS in the Company's four-year work plan. The two portions of the loan will have concurrent maturities of thirty-five years. The loan from RUS may be drawn down from time to time and will carry a rate not to exceed 7% per year. The CFC loan may have a variable or fixed interest rate depending on market conditions at the time of the drawdown.

THE COMMISSION, upon consideration of the application and having been advised by its Staff, is of the opinion and finds that approval of the application will not be detrimental to the public interest. Accordingly,

IT IS ORDERED THAT:

1) Applicant is hereby authorized to borrow up to $9,800,000 from RUS and to borrow up to $4,200,000 from CFC, under the terms and conditions and for the purposes set forth in the application.

2) Within thirty (30) days of the date of any advance of funds from either RUS or CFC, Applicant shall file with the Commission's Division of Economics and Finance a Report of Action which shall include the amount of the advance, the interest rate selected, and the interest rate maturity.

3) Applicant shall seek Commission approval to convert to variable interest rates on the CFC loan once a fixed rate is selected.

4) Approval of this application shall have no implications for ratemaking purposes.

5) There being nothing further to be done, this matter is hereby dismissed.

CASE NO. PUF980010
MAY 14, 1998

APPLICATION OF
ROANOKE GAS COMPANY

For authority to issue short-term debt

ORDER GRANTING AUTHORITY

On April 24, 1998, Roanoke Gas Company ("Roanoke" or "Applicant") filed an application under Chapter 3 of Title 56 of the Code of Virginia requesting authority to incur short-term debt in an amount not to exceed $14,000,000. The amount of short-term debt proposed exceeds twelve percent of capitalization as defined in §§ 56-65.1 of the Code of Virginia. Applicant has paid the requisite fee of $250.

Roanoke proposes to incur short-term indebtedness either in the form of issued negotiable notes maturing twelve months or less from date of issuance, or temporary draws on its short-term line of credit, in an aggregate amount not to exceed $14,000,000 at any one time for a two year period beginning July 1, 1998. The terms of the short-term borrowings will depend on the instrument used. If Roanoke issues short-term notes, the rate would be fixed for the period of the note at or below the published Prime rate with a term of either 30, 60, or 90 days. If, on the other hand, Roanoke uses its lines of credit, the rate would be the negotiated rate for its Cash Management Services through a regional bank.

The proceeds from the short-term borrowings are expected to help fund Roanoke's capital expenditures temporarily until other forms of permanent capital are available. The proposed short-term debt will also be used to help meet the projected need for peak seasonal gas inventory. The

issuance dates will be on an as needed basis but Applicant anticipates that the heaviest utilization would be associated with filling gas storage beginning in April of each year and peaking in November.

THE COMMISSION, upon consideration of the application and having been advised by its Staff, is of the opinion and finds that approval of the application will not be detrimental to the public interest. Accordingly,

IT IS ORDERED THAT:

1) Applicant is hereby authorized to issue up to $14,000,000 in short-term debt in excess of twelve percent of total capitalization from July 1, 1998, through June 30, 2000, under the terms and conditions and for the purposes set forth in the application.

2) On or before July 15 and January 15 of each year, Applicant shall file a Report of Action including a daily balance of short-term debt outstanding during the semi-annual period ending in June and December, respectively, and a schedule of issuances including the amount, date of issue, interest rate, maturity and lending institution.

3) On or before July 31, 2000, Applicant shall file a final Report of Action providing the information outlined in ordering paragraph (2).

4) Approval of this application shall have no implications for ratemaking purposes.

5) This matter shall be continued, subject to the continuing review, audit, and appropriate directive of the Commission.

CASE NO. PUF980011
MAY 22, 1998

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For authority to lease computer equipment, business machines, general business equipment and machinery, including vehicles

ORDER GRANTING AUTHORITY

On April 27, 1998, Virginia Electric and Power Company ("Virginia Power", "the Company") filed an application under Chapter 3 of Title 56 of the Code of Virginia for authority to lease computer equipment, busness machines, general business equipment and machinery, including vehicles ("equipment"). The requisite fee of $250 has been paid.

The Company currently has authority to lease equipment up to a fair market value of $60 million with aggregate annual rental payments of up to $18 million. Approval for the current lease cap was granted in Case No. PUF950022. Virginia Power now requests that its authority be increased to allow for the leasing of equipment of up to $150 million with aggregate annual rental payments for all equipment of no more than $50 million. These dollar limits are net of the fair market value of and rental from subleased equipment, if any. In support of its application, the Company states that it has initiated several programs to improve productivity and provide better customer service and that these programs require increased amounts of computer and other equipment.

THE COMMISSION, upon consideration of the application and having been advised by its Staff, is of the opinion and finds that the approval of the application will not be detrimental to the public interest. Accordingly,

IT IS ORDERED THAT:

1) Virginia Power is authorized to lease computer equipment, business machines, general business equipment and machinery, including vehicles, provided that the fair market value of and annual aggregate lease payments for such equipment do not exceed $150 million and $50 million, respectively, all under the terms and conditions and for the purposes as stated in the application.

2) On or before May 1 of each year, Virginia Power shall file with the Division of Economics and Finance a report of action to include the fair market value and lease payments of equipment leased during the year, the fair market value and lease payments of equipment added and terminated during the year, and the fair market value and lease payments of equipment subleased.

3) Approval of this application shall have no implications for ratemaking purposes.

4) The authority granted in Case No. PUF950022 is hereby terminated and superseded by the authority granted herein.

5) There appearing nothing further to be done in this matter it is hereby dismissed.

CASE NO. PUF980012
MAY 15, 1998

APPLICATION OF
ATMOS ENERGY CORPORATION

For authority to issue common stock

ORDER GRANTING AUTHORITY

On April 29, 1998, Atmos Energy Corporation ("Atmos" or "Applicant") filed an application under Chapter 3 of Title 56 of the Code of Virginia requesting authority to issue common stock under its Restricted Stock Grant Plan ("RSGP"). Applicant paid the requisite fee of $250.

In its application, Atmos proposes to issue up to 650,000 shares of common stock from time to time through the RSGP in addition to the unissued 141,250 shares currently authorized in Case No. PUE960232. Under the RSGP, certain key employees are granted shares of Atmos' common stock. The shares of common stock will be purchased in the open market at the then prevailing market price. Issuance expenses, if any, would not be significant.

THE COMMISSION, upon consideration of the application and having been advised by its Staff, is of the opinion and finds that approval of the application will not be detrimental to the public interest. Accordingly,

IT IS ORDERED THAT:

1) Applicant is hereby authorized to issue an additional 650,000 shares of its common stock under its Restricted Stock Grant Plan under the terms and conditions and for the purposes set forth in the application.

2) There being nothing further to be done, this matter is hereby dismissed.

CASE NO. PUF980012
JUNE 4, 1998

APPLICATION OF
ATMOS ENERGY CORPORATION

For authority to issue common stock

AMENDING ORDER

By order dated May 15, 1998, the Commission granted Atmos Energy Corporation ("the Company") authority to issue up to 650,000 additional shares of common stock under its Restricted Stock Grant Plan ("the RSGP"). The third sentence of second paragraph of that Order states that "the shares of common stock will be purchased in the open market at the then prevailing market price."

In a letter dated May 26, 1998, counsel for the Company requests that the order be amended by deleting the sentence referencing how the common stock will be acquired under the RSGP. In support of its request, the Company states that it has since discovered that there are several methods by which common stock can be obtained under the RSGP.

NOW THE COMMISSION, having considered the matter, is of the opinion that the Company's request is reasonable and that our above referenced order should be amended. Accordingly,

IT IS ORDERED THAT:

1) The third sentence of the second paragraph of the Commission's Order Granting Authority of May 15, 1998, shall be vacated.

2) All other terms and conditions of the May 15, 1998 order shall remain in full force and effect.

CASE NO. PUF980013
JUNE 8, 1998

APPLICATION OF
VIRGINIA GAS PIPELINE COMPANY

For authority to incur indebtedness

ORDER GRANTING AUTHORITY

On May 13, 1998, Virginia Gas Pipeline Company ("Applicant" or "VGPC") filed an application with the Commission under Chapters 3 and 4 of Title 56 of the Code of Virginia. Applicant has paid the requisite fee of $250.

Virginia Gas Company ("VGC"), the parent company affiliate of VGPC, issued $24,000,000 of 8.5% senior notes due in 2012 to John Hancock Insurance Companies ("John Hancock Notes"). The proceeds from the John Hancock Notes were used to refund approximately $19,500,000 of industrial revenue bonds issued on behalf of VGC by Buchanan and Russell Counties and to raise additional capital. VGPC requests authority to issue to up $7,715,000 in notes payable (the "Pipeline Notes") to VGC. VGPC states that the Pipeline Notes will reflect the same terms, maturity, and interest rate as the John Hancock Notes.

Applicant states that the proceeds will be used to provide $5,000,000 to support the expansion of pipeline facilities and $2,715,000 to refund existing higher cost debt with VGC. VGPC's existing notes mirror the terms of the Russell County, 9.5% industrial revenue bonds issued in 1997 as authorized in Case No. PUF960025. Applicant represents that VGPC's allocated share of issuance costs is expected to be $115,000 for the Pipeline Notes.

VGPC also requests authority to enter into the Subsidiaries' Guaranty Agreement (the "Guaranty") as stipulated in the VGC's Note Purchase Agreement with John Hancock Companies. Applicant states that, as a wholly owned subsidiary of VGC, VGPC must enter into and become a party to the Guaranty in order to participate in the proposed financing arrangement.

THE COMMISSION, upon consideration of the application and having been advised by its Staff, is of the opinion that approval of the authority requested will not be detrimental to the public interest. Accordingly,

IT IS ORDERED THAT:

1) Applicant is hereby authorized to issue up to $7,715,000 of notes payable to VGC through December 31, 1998, all in the manner, under the terms and conditions, and for the purposes as set forth in the application.

2) Approval of the application shall have no implications for ratemaking purposes.

3) Any subsequent financing arrangements with affiliates or other affiliate agreements shall require separate authority, which shall not be implied by approval of the application herein.

4) Approval of the application shall not preclude the Commission from applying the provisions of Sections 56-78 and 56- 80 of the Code of Virginia hereafter.

5) The Commission reserves the right to examine the books and records of any affiliate, whether or not such affiliate is regulated by this Commission, in connection with the authority granted herein, pursuant to section 56-79 of the Code of Virginia.

6) Applicant shall file a final report of action on or before January 29, 1999, to include:

(a) the principal amount of debt issued, the date issued, interest rate, and terms of payment;

(b) a copy of the borrowing agreement between VGC and VGPC;

(c) the most current balance sheet available for VGPC that reflects the actions taken pursuant to this order, and a consolidated balance sheet for VGC as of the same date; and

(d) a detailed account of all issuance costs incurred to date for the John Hancock Notes and how they are allocated among VGC's affiliates.

7) This matter be continued, subject to the continuing review, audit and appropriate directive of the Commission.

CASE NO. PUF980013
JULY 28, 1998

APPLICATION OF
VIRGINIA GAS PIPELINE COMPANY

For authority to incur indebtedness

AMENDING ORDER

On June 8, 1998, the Commission entered an order granting Virginia Gas Pipeline ("VGPC" or "Applicant") certain authority pursuant to Chapters 3 and 4 of Title 56 of the Code of Virginia. In ordering paragraph (1) of that order the Commission stated that:

> (1) Applicant is hereby authorized to issue up to $7,715,000 of notes payable to VGC through December 31, 1998, all in the manner, under the terms and conditions, and for the purposes as set forth in the application.

The Commission also noted, on page 2 of that order, that VGPC requested authority to enter into the Subsidiaries Guaranty Agreement ("Guaranty"), as stipulated in the Virginia Gas Company's ("VGC") Note Purchase Agreement with John Hancock Companies, and that VGPC, as a wholly owned subsidiary of VGC, must enter into and become a party to the Guaranty in order to participate in the proposed financing agreement.

In a letter dated July 24, 1998, counsel for VGPC requests that the Commission amend ordering paragraph (1) in the above referenced order to state specifically that VGPS may enter into the Guaranty to obtain funds for uses outlined in its application.

NOW THE COMMISSION, having considered VGPC's request, is of the opinion that such request is reasonable and should be granted. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) Paragraph (1) of our Order of June 8, 1998, be, and hereby is, amended as follows:

> (1) Applicant is hereby authorized to issue up to $7,715,000 of notes payable to VGC through December 31, 1998, and to guarantee the payment of the liability of VGC to John Hancock by becoming a party to the Subsidiaries' Guarantee Agreement, all in the manner, under the terms and conditions for the purposes as set forth in the application.

(2) All other provisions of our Order dated June 8, 1998, shall remain in full force and effect.

(3) This matter shall be continued, subject to the continuing review, audit and appropriate directive of the Commission.

CASE NO. PUF980014
JULY 8, 1998

APPLICATION OF
SHENANDOAH TELEPHONE COMPANY

For authority to borrow from the United States government

ORDER GRANTING AUTHORITY

On June 16, 1998, Shenandoah Telephone Company ("Shenandoah Telephone" or "Applicant") filed an application with the Commission under Chapter 3 of Title 56 of the Code of Virginia for authority to enter into transactions with and borrow from the United States government. Applicant has paid the requisite fee of $250.

Shenandoah Telephone proposes to execute a loan agreement and issue a promissory note ("the Loan") to the Rural Business Cooperative Service ("RBCS") of the United States Department of Agriculture ("USDA"). Shenandoah Telephone will serve as the secured "conduit lender" for the $750,000 loan but is not required to pledge any assets to secure the Loan. The Loan will carry a ten-year maturity with an initial two-year grace period. The proceeds will be loaned to Shenandoah County under a lease- leaseback arrangement. The rental payment terms of the lease- leaseback arrangement will be identical to the payment terms of Shenandoah Telephone's promissory note with RBCS. Shenandoah County plans to use the proceeds to construct a new library facility and to link the county's libraries together through Internet infrastructure improvements.

The costs to be incurred by Applicant regarding the Loan are expected to be negligible. Applicant represents that the library facility will enhance the economy of the community, and in turn, foster the demand for the extension and improvement of the Applicant's facilities which might not otherwise be feasible for the rural community.

THE COMMISSION, upon consideration of the application and having been advised by its Staff, is of the opinion and finds that approval of the application will not be detrimental to the public interest. Accordingly,

IT IS ORDERED THAT:

1) Applicant is hereby authorized to enter into transactions and borrow up to $750,000 from the United States Department of Agriculture under the terms and conditions and for the purposes as set forth in the application.

2) The authority granted herein shall have no implications for ratemaking purposes.

3) There appearing nothing further to be done in this matter it is hereby dismissed.

CASE NO. PUF980015
JULY 24, 1998

APPLICATION OF
THE POTOMAC EDISON COMPANY

For authority to issue long-term debt

ORDER GRANTING AUTHORITY

On July 7, 1998, The Potomac Edison Company ("Potomac Edison" or "Applicant") filed an application under Chapter 3 of Title 56 of the Code of Virginia requesting authority to incur long-term debt in an amount not to exceed $12,000,000. Applicant has paid the requisite fee of $250.

Potomac Edison proposes to issue up to $12,000.000 of solid waste disposal notes for certain solid waste facilities at its Pleasants Power Station through December 31, 2003. Applicant's proposed issuance and ancillary transactions involve the tax-exempt financings by the County Commission of Pleasants County, West Virginia, for Potomac Edison and its affiliates in the Allegheny Energy, Inc. system (i.e., Monogahela Power Company and West Penn Power Company). The County Commission proposes to finance the solid waste facilities by issuing and selling (to the public or otherwise) separate bonds for each of the Allegheny Energy companies. The Bonds will be allocated among the three companies on the basis of their ownership interests in the Pleasants Power Station. Potomac Edison owns a 30% interest in the Pleasants facility.

Potomac Edison anticipates that the issuance of the tax-exempt bonds will occur through a public offering with rates, terms and conditions to be determined by negotiation with underwriters at the time of issuance. Applicant further indicates that market conditions prevailing at the time of the offering may warrant the issuance of any series of the bonds with fixed or floating interest rates.

THE COMMISSION, upon consideration of the application and having been advised by its Staff, is of the opinion and finds that approval of the application will not be detrimental to the public interest. Accordingly,

IT IS ORDERED THAT:

1) Applicant is hereby authorized to issue up to $12,000,000 in solid waste disposal notes through December 31, 2003, under the terms and conditions and for the purposes set forth in the application.

2) Applicant shall file a report of action within 60 days of each calendar quarter in which securities are issued pursuant to ordering paragraph (1), to include: the principal amount, interest rate, date of issuance, maturity date and payment terms of any securities issued; a balance sheet reflecting the actions taken; and a detailed accounting of issuance costs incurred to date associated with the securities' issuance.

3) Applicant shall file with the Commission's Division of Economics and Finance a copy of the Solid Waste Disposal Financing Agreement related to the securities' issuance within 60 days of the first issuance.

4) On or before February 28, 2004, Applicant shall file a final Report of Action providing a summary of the information outlined in ordering paragraph (2) and an updated accounting of issuance costs.

5) Approval of this application shall have no implications for ratemaking purposes.

6) This matter shall be continued, subject to the continuing review, audit, and appropriate directive of the Commission.

CASE NO. PUF980016
JULY 24, 1998

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For authority to lease rail equipment

ORDER GRANTING AUTHORITY

On July 9, 1998, Virginia Electric and Power Company ("Virginia Power", "the Company") filed an application under Chapter 3 of Title 56 of the Code of Virginia for authority to lease 400 new, aluminum rapid-discharge railcars. The requisite fee of $250 has been paid.

The railcars will be leased through a trust agreement arranged by a lessor selected through a competitive bidding process. The expected term of the lease is 20 years. The lease will be a net lease, requiring Virginia Power to pay for all normal maintenance, insurance, licensing, registration, and taxes associated with the ownership, delivery, use and operation of the railcars. Virginia Power states that leasing the railcars will result in material savings over purchasing the railcars.

THE COMMISSION, upon consideration of the application and having been advised by its Staff, is of the opinion and finds that the approval of the application will not be detrimental to the public interest. Accordingly,

IT IS ORDERED THAT:

1) Virginia Power is authorized to execute the lease for the railcars under the terms and conditions and for the purposes stated in the application.

2) After final documents are negotiated with the chosen lessor, Virginia Power shall file with the Commission an updated lease/purchase analysis.

3) On or before December 31, 1998, Virginia Power shall file with the Commission an executed copy of the lease agreement.

4) Approval of this application shall have no implications for ratemaking purposes.

5) This matter shall be continued, subject to the continuing review, audit, and appropriate directive of the Commission.

CASE NO. PUF980017
AUGUST 27, 1998

APPLICATION OF
VIRGINIA GAS PIPELINE COMPANY

For authority to incur indebtedness

ORDER GRANTING AUTHORITY

On August 5, 1998, Virginia Gas Pipeline Company ("Applicant" or "VGPC") filed an application with the Commission under Chapters 3 and 4 of Title 56 of the Code of Virginia. Applicant has paid the requisite fee of $250.

Virginia Gas Company ("VGC"), the parent company affiliate of VGPC, entered into a credit agreement with Wachovia Bank to provide a line of credit up to $8,000,000 due January 1, 2000 ("Credit Agreement"). Applicant proposes to enter into a loan agreement with VGC to borrow up to $8,000,000 in proceeds obtained through the line of credit. The proceeds from VGC will be used to expand VGPC's pipeline and storage facilities. The proceeds can be borrowed from VGC at anytime during the life of the Credit Agreement. The interest rate of the borrowed funds will be variable.

VGPC also requests authority to enter into the Subsidiaries' Guaranty Agreement ("the Guaranty") as stipulated in the VGC's Credit Agreement with Wachovia Bank. Applicant states that, as a wholly owned subsidiary of VGC, VGPC must enter into and become a party to the Guaranty in order to participate in the proposed financing arrangement.

THE COMMISSION, upon consideration of the application and having been advised by its Staff, is of the opinion that approval of the authority requested will not be detrimental to the public interest. Accordingly,

IT IS ORDERED THAT:

1) Applicant is hereby authorized to incur certain indebtedness pursuant to Chapters 3 and 4 of Title 56 of the Code of Virginia, under the terms and conditions, and for the purposes as set forth in the application. Specifically, Applicant is authorized to:

(a) borrow up to $8,000,000 from VGC and to execute promissory notes payable to VGC through December 31, 1999, on the terms and conditions and at the rates contained in the Credit Agreement between VGC and Wachovia Bank;

(b) guarantee the payment of the liability of VGC to Wachovia Bank in the amount up to $8,000,000; and

(c) participate in the Subsidiaries' Guaranty Agreement as required by the above referenced Credit Agreement.

2) Approval of the application shall have no implications for ratemaking purposes.

3) Any subsequent financing arrangements with affiliates or other affiliate agreements shall require separate authority, which shall not be implied by approval of the application herein.

4) Approval of the application shall not preclude the Commission from applying the provisions of § 56-78 and § 56-80 of the Code of Virginia hereafter.

5) The Commission reserves the right to examine the books and records of any affiliate, whether or not such affiliate is regulated by this Commission, in connection with the authority granted herein, pursuant to § 56-79 of the Code of Virginia.

6) Applicant shall file a final report of action on or before March 31, 2000, to include:

(a) the principal amount of debt issued, the date issued, interest rate, and terms of payment; and

(b) a detailed account of all issuance costs incurred to date for the Credit Agreement and of the allocation of such costs among VGC's affiliates.

7) This matter be continued, subject to the continuing review, audit and appropriate directive of the Commission.

CASE NO. PUF980018
AUGUST 27, 1998

APPLICATION OF
WASHINGTON GAS LIGHT COMPANY
and
SHENANDOAH GAS COMPANY

For authority to make and receive cash advances

ORDER GRANTING AUTHORITY

On August 7, 1998, Washington Gas Light Company ("WGL") and Shenandoah Gas Company ("Shenandoah")(collectively, "Applicants") filed an application under Chapters 3 and 4 of Title 56 of the Code of Virginia requesting authority for WGL to make, and Shenandoah to receive, interest bearing cash advances on open account. Applicants have paid the requisite fee of $250.

WGL proposes to advance up to $52 million outstanding at any one time on open account to Shenandoah, a wholly-owned subsidiary, from October 1, 1998, through September 30, 1999. The advances will be used to finance construction programs, gas purchases, and for other proper corporate purposes of Shenandoah. The interest rate on the cash advances will be determined based on WGL's consolidated embedded cost of debt and calculated monthly.

THE COMMISSION, upon consideration of the application and having been advised by its Staff, is of the opinion and finds that approval of the application will not be detrimental to the public interest. Accordingly,

IT IS ORDERED THAT:

1) WGL is hereby authorized to make up to $52 million outstanding at any one time in open account cash advances to its affiliate, Shenandoah, from October 1, 1998, through September 30, 1999, under the terms and conditions and for the purposes set forth in the application.

2) Shenandoah is authorized to receive open account advances, also under the terms and conditions and for the purposes set forth in the application.

3) The cost rate on the cash advances shall reflect the methodologies approved in WGL's most recent general rate case, based on WGL's consolidated embedded cost of senior capital, excluding non-utility subsidiary investment.

4) Approval of the application does not preclude the Commission from applying the provisions of § 56-78 and § 56-80 of the Code of Virginia hereafter.

5) The Commission reserves the right to examine the books and records of any affiliate, whether or not such affiliate is regulated by this Commission, in connection with the authority granted herein, pursuant to § 56-79 of the Code of Virginia.

6) Approval of this application shall have no implications for ratemaking purposes.

7) Applicant shall file a report of the actions taken pursuant to the authority granted herein on or before December 31, 1999, including a schedule of advances, showing the beginning outstanding balance on September 30, 1998, the amount(s) and date(s) of subsequent advances, the corresponding interest rates, any repayments made by Shenandoah, and the maximum outstanding balance during each month.

8) This matter shall be continued, subject to the continuing review, audit, and appropriate directive of the Commission.

CASE NO. PUF980019
AUGUST 27, 1998

APPLICATION OF
WASHINGTON GAS LIGHT COMPANY

For authority to issue short-term debt and sell securities to affiliates

ORDER GRANTING AUTHORITY

On August 7, 1998, Washington Gas Light Company ("WGL" or "Applicant") filed an application under Chapters 3 and 4 of Title 56 of the Code of Virginia requesting authority to issue short-term debt and sell a portion of those debt securities to certain affiliates. The proposed amount of short-term debt is in excess of the twelve percent of capitalization as defined in § 56-65.1 under Chapter 3 of Title 56 of the Code of Virginia. Applicant has paid the requisite fee of $250.

WGL proposes to issue up to $250 million aggregate principal amount of short-term debt securities outstanding at any one time in the form of bank notes or commercial paper during the fiscal year October 1, 1998, through September 30, 1999. Applicant also requests authority to sell a portion of its commercial paper, up to $20 million outstanding at any one time, to two affiliated companies: Crab Run Gas Company and Hampshire Gas Company. The bank notes and commercial paper will be issued at the prevailing market rates at the time of issuance. The interest rate applied to the sales to affiliates will be the same rate that WGL would pay to other purchasers of its commercial paper of the same maturity and denomination. The proceeds of the commercial paper sales will be used to finance seasonal requirements and increases in working capital.

THE COMMISSION, upon consideration of the application and having been advised by its Staff, is of the opinion and finds that approval of the application will not be detrimental to the public interest. Accordingly,

IT IS ORDERED THAT:

1) WGL is hereby authorized to issue up to $250 million aggregate principal amount of short-term debt securities in the form of bank notes of commercial paper from October 1, 1998, through September 30, 1999, under the terms and conditions and for the purposes set forth in the application.

2) WGL is authorized to sell up to $20 million of its authorized short-term debt in the form of commercial paper to two affiliated companies, Crab Run Gas Company and Hampshire Gas Company, under the terms and conditions and for the purposes set forth in the application.

3) Approval of the application does not preclude the Commission from applying the provisions of § 56-78 and § 56-80 of the Code of Virginia hereafter.

4) The Commission reserves the right to examine the books and records of any affiliate, whether or not such affiliate is regulated by this Commission, in connection with the authority granted herein, pursuant to § 56-79 of the Code of Virginia.

5) Approval of this application shall have no implications for ratemaking purposes.

6) Applicant shall file a report of the action on or before December 31, 1999, that shows WGL's daily short-term debt activity from October 1, 1998, through September 30, 1998, pursuant to the authority granted herein to include the type, amount, date, maturity, and interest rate of each borrowing, the average daily balance and maximum outstanding balance for each month, any commissions or fees paid in connection with short-term debt, and a balance sheet as of September 30, 1999.

7) This matter shall be continued, subject to the continuing review, audit, and appropriate directive of the Commission.

CASE NO. PUF980020
SEPTEMBER 23, 1998

APPLICATION OF
WASHINGTON GAS LIGHT COMPANY

For authority to issue debt securities, preferred stock, and common stock

ORDER GRANTING AUTHORITY

On September 1, 1998, Washington Gas Light Company ("Applicant") filed an application for authority under Chapter 3 of Title 56 of the Code of Virginia to issue and sell any combination of long-term debt securities, preferred stock, and common stock, (collectively the "Securities") up to an aggregate maximum of $305 million during the two year period beginning January 1, 1999. Applicant also requests authority to issue an additional 2,500,000 shares of common stock for various stock purchase and stock award plans as described in its application. Applicant paid the requisite fee of $250.

By letter dated September 14, 1998, Applicant amended its application to further request any affiliate authority necessary under Chapter 4 of Title 56 of the Code of Virginia to issue any or all of the proposed $305 million in the form of tax-advantaged preferred stock.

For any or all of the proposed $305 million securities issued as long-term debt, Applicant requests authority to issue such securities in the form of first mortgage bonds, debentures, loans, medium term notes ("MTN"), or other forms of long-term debt. Applicant further requests authority use up to $85.9 million of the total amount of long-term debt issued to refund higher cost outstanding debt.

To provide financing flexibility, Applicant proposes to issue the debt securities through one or more public offerings, private placements, or Eurodollar market offerings, depending on capital market conditions at the time of issuance. The proposed debt securities will be issued with a maturity of not less than one year. Applicant also states that the effective cost on any of the debt issued will not exceed 200 basis points above the most comparable maturity U.S. Treasury securities, excluding issuance costs. Should Applicant issue long-term debt which matures prior to the end of the two-year period of authority, Applicant further requests authorization to replace such debt with new debt securities.

For any or all of the proposed $305 million securities issued as preferred stock, Applicant requests authority to issue and sell the proposed preferred stock securities as fixed-rate, adjustable-rate, auction-rate, perpetual, convertible, or other forms including tax-advantaged preferred stock, depending on market conditions at the time of issuance. Applicant also amended its application to further request any necessary affiliate authority to issue the preferred stock in the form of tax advantaged preferred stock.

For any or all of the proposed $305 million issued as common stock, Applicant proposes to issue the respective shares through one or more public offerings and/or one or more private placements. Applicant states that the maximum number of shares issued will not exceed the number derived by taking $305 million, minus the initial offering price of any preferred stock and debt securities to be issued and sold, divided by the public offering prices of the additional shares of common stock issued.

Lastly, Applicant requests the authority to issue up to 2,500,000 additional shares of common stock on an ongoing basis for various stock plans and programs. Applicant states that 1,500,000 of these shares are for issuance through its Dividend Reinvestment and Common Stock Purchase Plan and other common stock plans, such as employee 401(k) savings. Applicant proposes to issue the remaining 1,000,000 shares of common stock through two new programs, a stock option program and a performance restricted stock program. Applicant states that these programs are under consideration as part of its long-term compensation package.

Applicant represents that funds obtained from issuance of the Securities will be used for the refunding of maturing debt, satisfaction of sinking fund requirements, the potential refunding of higher coupon debt as market conditions permit, and general corporate purposes which include on-going capital expenditures, working capital requirements, and the payment of short-term debt.

THE COMMISSION, upon consideration of the application and having been advised by Staff, is of the opinion and finds that approval of the application will not be detrimental to the public interest. Accordingly,

IT IS ORDERED THAT:

1) Applicant is authorized to issue and sell any combination of long-term debt, preferred stock, and common stock securities up to an aggregate maximum amount of $305 million, for the period January 1, 1999, through January 1, 2001, all in a manner, under the terms and conditions, and for the purposes as set forth in the application, provided that any securities issued to refund outstanding debt prior to maturity result in cost savings to Applicant.

2) Applicant is authorized to issue new debt securities to replace any debt issued in accordance with ordering paragraph (1), which also mature before January 1, 2001.

3) Any debt securities authorized herein shall be issued at a yield (stated interest rate adjusted for discount or premium) that shall not exceed the yield to maturity at the time of issuance on United States Treasury securities of comparable maturity by 200 basis points, excluding issuance costs.

4) Applicant is hereby granted any necessary affiliate authority under Chapter 4 of the Code of Virginia to issue securities, as authorized in ordering paragraph (1), in the form of tax advantaged preferred stock.

5) Any fixed rate preferred stock security authorized herein shall be issued at an effective rate (stated dividend rate adjusted for discount or premium), that shall not exceed the yield to maturity at the time of issuance on municipal debt issues of comparable maturity and quality by 150 basis points, excluding issuance costs.

6) Within forty-five (45) days after each SEC filing pertaining to the securities in ordering paragraph (1), Applicant shall file a copy of the SEC registration statement, a copy of the basic prospectus filed with the SEC, and a list describing any other filings, contracts, or agreements in conjunction with the issuance, including any affiliation, direct or indirect, through directors, stockholders, or ownership of securities between Applicant and the agent.

7) Applicant shall submit a preliminary report within seven (7) days after the issuance of any security pursuant to ordering paragraphs (1) and (2) which includes the date of issuance, type of security, amount, interest or dividend rate thereon, and comparable yield data confirming that the maximum rate for long-term debt or preferred stock in ordering paragraphs (3) and (5) was not exceeded.

8) Within sixty (60) days after the end of each calendar quarter in which any securities are issued pursuant to ordering paragraphs 1 and 2, Applicant shall file a more detailed report with respect to all securities sold during the calendar quarter including:

(a) the issuance date, type, amount, interest or dividend rate, date of maturity, underwriters' names, underwriters' fees, other issuance expenses to date, and net proceeds to Applicant;

(b) a copy of any terms or conditions not previously provided (e.g., conversion provisions, indenture amendments, charter amendments, etc.) which were executed for the purpose of issuing any security under ordering paragraphs (1) and (2);

(c) the cumulative principal amount issued under the authority granted herein, and the amount remaining to be issued;

(d) a general statement of the purposes for which the securities were issued, and if the purpose is for the early redemption of an outstanding issue, to provide a schedule showing any associated losses on reacquired debt along with a calculation of the refunding issue's effective cost rate after inclusion of any related losses on reacquired debt, and overall cost savings from the refunding; and

(e) change in capital structure due to issue(s), and a balance sheet as of the respective quarter ended.

9) Applicant is authorized to issue and sell up to 2,500,000 additional shares of common stock through its stock plans and programs as set forth in the application.

10) Approval of the application shall have no implications for ratemaking purposes.

11) Applicant shall file a final Report of Action on or before March 31, 2001, showing actual expenses and fees paid to date for the proposed financing, and an explanation of any variance from the estimated expenses contained in the Financing Summary attached to the application.

12) This matter shall be continued, subject to the continuing review, audit, and appropriate directive of the Commission.

CASE NO. PUF980021
OCTOBER 8, 1998

APPLICATION OF
VIRGINIA-AMERICAN WATER COMPANY

For authority to issue debt and common stock

ORDER GRANTING AUTHORITY

On September 14, 1998, Virginia-American Water Company ("Virginia-American" or "Applicant") filed an application under Chapters 3 and 4 of Title 56 of the Code of Virginia for authority to issue general mortgage bonds ("the Bonds") to the public and common stock to its parent, American Water Works, Inc. ("AWW"). Applicant simultaneously paid the requisite fee of $250.

Virginia-American proposes to issue $6,000,000 of the Bonds to Mutual of Omaha, an institutional investor. The Bonds will have a fixed interest rate of 6.72% and will mature on November 1, 2028. The Bonds will be non-callable prior to maturity. Virginia-American simultaneously will issue $1,000,000 in common stock to AWW. The net proceeds from the sale of the Bonds and common stock will be used to pay down short-term debt issued to redeem the 9.19% Bond Series that matured on April 1, 1998, pay sinking funds on preferred stock issues, and finance Applicant's ongoing construction program.

The Commission, upon consideration of the application and having been advised by Staff, is of the opinion and finds that issuance of the above mentioned Bonds and common stock is reasonably necessary to carry out the purposes set forth in Virginia-Americans application and that approval of the application will not be detrimental to the public interest. Accordingly,

IT IS ORDERED THAT:

1) Virginia-American hereby is authorized to issue and sell up to $6,000,000 of general mortgage bonds and up to $1,000,000 in common stock, all in a manner, under the terms and conditions and for the purposes as set forth in the application.

2) Approval of this application does not preclude the Commission from applying the provisions of §§ 56-78 and 56-80 of the Code of Virginia hereafter.

3) The Commission reserves the right to examine the books and records of any affiliate, whether or not such affiliate is regulated by this Commission, in connection with the authority granted herein, pursuant to § 56-79 of the Code of Virginia.

4) Approval of this application shall have no implications for ratemaking purposes.

5) Virginia-American shall submit a preliminary report of action within ten (10) days after the issuance of the Bonds or common stock pursuant to this Order, including the date, amount, interest rate, and price or proceeds to Virginia-American.

6) Virginia-American shall file a final report of action, on or before January 31, 1999. Such report shall include a detailed account of the expenses and fees paid to date to issue all securities authorized herein and an explanation of any variance to the estimated expenses contained in the Financing Summary attached to the application.

7) This matter shall be continued, subject to the continuing review, audit, and appropriate directive of the Commission.

CASE NO. PUF980022
NOVEMBER 16, 1998

APPLICATION OF
NORTHERN NECK ELECTRIC COOPERATIVE

For authority to issue long-term debt

ORDER GRANTING AUTHORITY

On September 28, 1998, Northern Neck Electric Cooperative ("Northern Neck" or "Applicant") filed an application under Chapter 3 of Title 56 of the Code of Virginia requesting authority to incur long-term debt. Applicant has paid the requisite fee of $25.

Northern Neck requests authority to incur indebtedness in the amount of $400,000 to the United States of American under the Rural Economic Development Loan and Grant Program. Proceeds from the loan will be re-loaned by Northern Neck to Westmoreland County. Northern Neck's loan will be in the form of a zero interest promissory note ("Note") secured by a letter of credit or other form of guarantee. The Note will be issued in the first quarter of 1999 with a ten-year maturity. Repayment terms specify that the principal amount be repaid without interest in monthly installments.

The loan from Northern Neck to Westmoreland County will be made under the same terms as the Note. It will also be evidenced by a promissory note secured by an escrow agreement.

THE COMMISSION, upon consideration of the application and having been advised by its Staff, is of the opinion and finds that approval of the application will not be detrimental to the public interest. Accordingly,

IT IS ORDERED THAT:

1) Applicant is hereby authorized to borrow $400,000 under the Rural Economic Development Loan and Grant Program and subsequently lend the proceeds to Westmoreland County.

2) Applicant shall file directly with the Division of Economics and Finance a copy of each annual project performance report as required in Section 2.i. of the Rural Development Loan Agreement.

3) Approval of this application shall have no implications for ratemaking purposes.

4) There appearing nothing further to be done in this matter, it is hereby dismissed.

CASE NO. PUF980023
OCTOBER 26, 1998

APPLICATION OF
ATMOS ENERGY CORPORATION

For authority to issue debt securities, preferred stock, and common stock

ORDER GRANTING AUTHORITY

On October 1, 1998, Atmos Energy Corporation ("Atmos" or "Applicant") filed an application for authority under Chapter 3 of Title 56 of the Code of Virginia to issue common stock through its Equity Incentive and Deferred Compensation Plan for Non-Employee Directors ("EIDCPND")and through its Long-Term Incentive Plan ("LTIP"). Applicant paid the requisite fee of $250.

Applicant requests the authority to issue 150,000 shares of common stock through its EIDCPND and to issue 1,500,000 shares of common stock through its LTIP. Applicant states that both of these programs were adopted by Atmos' Board of Directors on August 12, 1998 and will be presented for shareholder approval on February 10, 1999.

Applicant states that the intended purpose of the EIDCPND is to encourage qualified individuals to accept director nominations and to strengthen the mutual interest of non-employee directors and Atmos shareholders. To accomplish this purpose, the EIDCPND will enable non-employee directors to defer receipt of their retainer and meeting fees and invest their deferred compensation in either a cash or stock account. In addition, each non-employee director will receive an annual grant of share units for each year served on Atmos's Board of Directors.

Applicant further states that the intended purpose of the LTIP is to attract and retain able employees and non-employee directors by providing them with a proprietary interest in the Atmos and to motivate their performance through related incentives linked to longer-range performance goals. To accomplish this purpose, employees and non-employee directors may be granted or awarded incentive stock options, non-qualified stock options, stock appreciation rights, restricted stock, performance shares, bonus stock, and other stock unit awards.

THE COMMISSION, upon consideration of the application and having been advised by Staff, is of the opinion and finds that approval of the application will not be detrimental to the public interest. Accordingly,

IT IS ORDERED THAT:

1) Applicant is authorized to issue 150,000 shares of common stock through its Equity Incentive and Deferred Compensation Plan for Non-Employee Directors, and to issue 1,500,000 shares of common stock through its Long Term Incentive Plan, all under the terms and conditions and for the purposes set forth in the application.

2) There being nothing further to be done, this matter is hereby dismissed.

CASE NO. PUF980023
OCTOBER 28, 1998

APPLICATION OF
ATMOS ENERGY CORPORATION

For authority to issue common stock

CORRECTING ORDER

In an Order entered on October 26, 1998, the Commission granted Atmos Energy Corporation ("Atmos" or "Applicant") authority to issue common stock through its Equity Incentive and Deferred Compensation Plan for Non-Employee Directors and through its Long-Term Incentive Plan. That Order (attached hereto) was processed with Document Control Number 981030053 and was incorrectly referenced as CASE NO. PUF980020. It was also incorrectly captioned as an application for authority to issue debt securities, preferred stock and common stock. The correct reference should be CASE NO. PUF980023 and the correct caption for the application should be for authority to issue common stock.

In consideration of this matter, we will correct our Order of October 26, 1998, to reflect the appropriate case number and the appropriate caption for the application. Accordingly,

IT IS ORDERED THAT:

1) Our Order of October 26, 1998 be, and hereby, is changed to reflect the correct Case Number of PUF980023 and the correct caption for the application as referenced herein.

2) There being nothing further to be done, this matter is hereby dismissed.

CASE NO. PUF980024
OCTOBER 26, 1998

APPLICATION OF
ROANOKE GAS COMPANY

For authority to issue common stock

ORDER GRANTING AUTHORITY

On October 6, 1998, Roanoke Gas Company ("Roanoke" or "Applicant") filed an application under Chapter 3 of Title 56 of the Code of Virginia requesting authority to issue common stock under its Amended Dividend Reinvestment and Stock Purchase Plan ("Plan"). Applicant has paid the requisite fee of $250.

Roanoke proposes to issue up to 100,000 shares of its common stock through the Plan beginning November 10, 1998. The Plan is a voluntary plan whereby shareholders and eligible customers may elect to purchase shares and to invest all or a part of their dividends in additional shares. The price of the shares will be based on their fair market value. The fair market value will be calculated based on the closing sales price of the Company's common stock as listed on the NASDAQ National Market on the day of the investment in the plan. Roanoke states in its application that the proceeds from the issuance will be applied towards financing the Company's capital requirements and other proper corporate purposes.

THE COMMISSION, upon consideration of the application and having been advised by its Staff, is of the opinion and finds that approval of the application will not be detrimental to the public interest. Accordingly,

IT IS ORDERED THAT:

1) Applicant is hereby authorized to issue and sell up to 100,000 shares of its common stock under its Amended Dividend Reinvestment and Stock Purchase Plan beginning November 10, 1998, under the terms and conditions and for the purposes set forth in the application.

2) There appearing nothing further to be done in this matter, it is hereby dismissed.

CASE NO. PUF980025
NOVEMBER 24, 1998

APPLICATION OF
TOLL ROAD INVESTORS PARTNERSHIP, II, L.P.

For approval of refinancing

ORDER APPROVING REFINANCING

Before the Commission is the application of Toll Road Investors Partnership, II, L.P. ("the Partnership") for Commission review of its plan for refinancing debt incurred in the construction of the Dulles Greenway. The Partnership requests an order finding that the proposed refinancing raises no issues not resolved in prior Commission proceedings and that further Commission approval is unnecessary. In the alternative, the Partnership asks that the Commission approve the refinancing. As set out in this order, the Commission finds that it has jurisdiction to approve the refinancing, and we grant approval.

In our Order Directing Notice and Authorizing Comments of October 9, 1998, we directed the Partnership to serve copies of its application on various public officials and to publish notice in newspapers circulating in the area served by the Dulles Greenway. On November 12, 1998, the Partnership filed its "Proof of Notice and Service" stating that it had complied with these requirements. The Commission finds that appropriate notice of the application was given.

In our order of October 9, 1998, the Commission authorized interested individuals and government agencies to file comments on the refinancing proposal by November 16, 1998. No comments were received.

The Commission also directed its Staff to review the application and file a report. In its report filed November 19, 1998, the Staff related the history of the Dulles Greenway and noted that the Partnership was in default on various loans and notes. The Partnership intends to take advantage of current lower interest rates to issue approximately $360 million in new debt. The Partnership plans to secure credit enhancements for this debt through a financial surety who is expected to assume some risk for future payments of interest and repayment of principal. Most of the new debt would be in the form

of discounted "zero coupon" bonds which reduce debt service and allow build up of cash over the next few years. The Staff concluded that the proposed refinancing was in the public interest and did not appear to conflict with any provision of law. The Staff recommended approval of the refinancing.

As authorized by our order of October 9, 1998, the Partnership filed on November 23, 1998, comments on the Staff Report. The Partnership agreed with the Staff's overall analysis and urged approval of the refinancing. The Partnership did note in its comments that the Staff's analysis of an aspect of the refinancing, a reduction in the equity level of the reinvested earnings account ("REA"), is incorrect. The refinancing will make no changes to the REA's equity level. In a supplement to its Report filed November 23, 1998, Staff agreed that the refinancing would not alter the equity position, and the Staff continued to recommend approval of the refinancing.

The Partnership holds a certificate of authority granted by the Commission in our Case No. PUA900013, Application of Toll Road Corporation of Virginia, pursuant to authority conferred by the Virginia Highway Corporation Act of 1988, §§ 56-535 through 56-552 of the Code of Virginia. The Highway Corporation Act, § 56-551 of the Code of Virginia, expressly addresses refinancing only in conjunction with modifying the termination date of the certificate of authority. The Partnership's certificate terminates on April 2, 2036, and this application proposes no modification or extension of that date even though the replacement debt may have a maturity date later than that of the current debt. The Commission is empowered, however, to regulate an operator, in this case the Partnership, as a public service corporation and to supervise and control the operator in the performance of its duties. §§ 56-542, 56-543 A 3 of the Code of Virginia. Refinancing could certainly bear on the ability of an operator to perform its public duties, and the Commission finds that refinancing is subject to our approval. As in Case No. PUA900013, we will apply a general public interest standard with attention to safeguards against default.

The Partnership is now in default on various financial obligations. If successful, the refinancing would allow the Partnership to cure its default and provide an opportunity to put the Dulles Greenway on a sounder financial footing. An improved financial position would foster uninterrupted operation of the project. Accordingly, the proposal is in the public interest.

The certificate of authority issued to the Partnership in Case No. PUA900013 authorized the establishment of a reinvested earnings account upon which a fair return would be earned. The reinvested earnings account was established in recognition of the negative cash flows from tolls, which was anticipated during the early years of operation. A rate of return was also prescribed. Opinion and Final Order, 1990 Ann. Rep. 197, 199, *as modified*, Order Amending Certificate, 1991 Ann. Rep. 208, 209. In this application, the Partnership does not propose to modify the return on equity previously approved, and the function of the reinvested earnings account will not change.

The Partnership stated in its application that its membership will change as a result of a successful refinancing. We will require the Partnership to report to the Commission on its new composition and on the terms and conditions of the refinancing.

Our finding that the proposed refinancing is in the public interest should not be interpreted as Commission approval of the particular securities the Partnership proposes to issue. Commission approval pursuant to the Virginia Highway Corporation Act is independent of, and in addition to, any other approval required under state and federal law before any securities may be issued. The Commission assumes that the Partnership will secure all required approvals. Likewise, our approval of the refinancing plan is not a guarantee of repayment of principal or payment of interest on any securities or an extension of the credit of the Commonwealth or any of its political subdivisions.

The Partnership does not seek in this application any revision in its schedule of rates and charges for use of the Dulles Greenway. Commission approval of this refinancing does not guarantee any particular level of tolls or toll structure. Tolls and other fees or charges for use of the roadway will be established and revised as provided by law. Accordingly,

IT IS ORDERED THAT:

(1) As provided by the Virginia Highway Corporation Act of 1998, §§ 56-535 through 56-552 of the Code of Virginia, and Title 56 of the Code of Virginia, the application for approval of refinancing is granted.

(2) Within sixty (60) days of the closing of the refinancing, the Partnership shall file with the Clerk of the Commission a report of the full details of the refinancing, including the terms of all obligations, and of the composition of the Partnership, including information on the corporate structure and business of any newly admitted partners.

(3) The Partnership shall continue to file all reports with the Commission's Divisions of Economics and Finance and Public Utility Accounting as previously ordered.

(4) This matter be continued until further order of the Commission.

CASE NO. PUF980026
NOVEMBER 16, 1998

APPLICATION OF
CENTRAL VIRGINIA ELECTRIC COOPERATIVE

For authority to guarantee debt of a subsidiary

ORDER GRANTING AUTHORITY

On October 22, 1998, Central Virginia Electric Cooperative ("Central Virginia" or "Applicant") filed an application under Chapters 3 and 4 of Title 56 of the Code of Virginia requesting authority to guarantee the debt of a subsidiary. Applicant has paid the requisite fee of $250.

Central Virginia requests authority to provide a guarantee on a $2,000,000 line of credit for its subsidiary, Central Virginia Services, Inc. ("CVSI"). The National Rural Utilities Cooperative Finance Corporation ("CFC") will provide the revolving line of credit through its for-profit subsidiary, National Cooperative Services Corporation. The proposed guarantee has a maximum term of five years. During that time, CVSI can borrow and pay back funds as long as the outstanding advances do not exceed $2,000,000 at any one time. The interest rate on the line of credit will be fixed by NCSC twice a month. The rate for October, 1998 was 6.3%.

The Cooperative indicates that, if CVSI fails to pay its obligated outstanding amounts on the line of credit, the assets of the subsidiary would be sold to pay off the line of credit and any debt still owed would be paid by the Cooperative.

THE COMMISSION, upon consideration of the application and having been advised by its Staff, is of the opinion and finds that approval of the application will not be detrimental to the public interest. Accordingly,

IT IS ORDERED THAT:

1) Applicant is hereby authorized to provide a guarantee on a $2,000,000 line of credit for its subsidiary, CVSI, all in the manner, under the terms and conditions, and for the purposes set forth in the application.

2) Approval of this application shall have no implications for ratemaking purposes.

3) Approval of this application shall not preclude the Commission from exercising the provisions of § 56-78 and 56-80 of the Code of Virginia hereafter.

4) The Commission reserves the authority to examine the books and records of any affiliate in connection with the approvals granted herein whether or not such affiliate is regulated by the Commission, pursuant to § 56-79 of the Code of Virginia.

5) There appearing nothing further to be done in this matter, it is hereby dismissed.

CASE NO. PUF980027
NOVEMBER 16, 1998

APPLICATION OF
MECKLENBURG ELECTRIC COOPERATIVE

For authority to guarantee debt of a subsidiary

ORDER GRANTING AUTHORITY

On October 23, 1998, Mecklenburg Electric Cooperative ("Mecklenburg" or "Applicant") filed an application under Chapters 3 and 4 of Title 56 of the Code of Virginia requesting authority to enter into a Management Service Agreement with its affiliate, Mecklenburg Communications Services, Inc. ("MCS"), and to guarantee the debt of the affiliate. For purposes of processing the application, our Staff administratively separated the Applicant's request. The request under Chapter 4 to enter into a Management Service Agreement has been assigned Case No. PUA980036. The request under Chapter 3 to guarantee the debt of the affiliate has been assigned Case No. PUF980027. Applicant has paid the requisite fee of $250.

Mecklenburg requests authority to provide a guarantee on a $2,000,000 line of credit for its subsidiary, MCS. The National Rural Utilities Cooperative Finance Corporation ("CFC") will provide the revolving line of credit through its for-profit subsidiary, National Cooperative Services Corporation. The proposed guarantee has a maximum term of five years. The interest rate on the line of credit will be fixed by NCSC twice a month. The rate for October, 1998, was 6.3%.

THE COMMISSION, upon consideration of the application and having been advised by its Staff, is of the opinion and finds that approval of the guarantee of the line of credit will not be detrimental to the public interest. However, this approval must necessarily be contingent upon the approval of the Management Service Agreement in Case No. PUA980036. Accordingly,

IT IS ORDERED THAT:

1) Applicant is hereby authorized to provide a guarantee on a $2,000,000 line of credit for its subsidiary, MCS, all in the manner, under the terms and conditions set forth in the application, contingent upon the Management Service Agreement being approved in Case No. PUA980036.

2) Approval of this application shall have no implications for ratemaking purposes.

3) Approval of this application shall not preclude the Commission from exercising the provisions of § 56-78 and 56-80 of the Code of Virginia hereafter.

4) The Commission reserves the authority to examine the books and records of any affiliate in connection with the approvals granted herein whether or not such affiliate is regulated by the Commission, pursuant to § 56-79 of the Code of Virginia.

5) There appearing nothing further to be done in this matter, it is hereby dismissed.

CASE NO. PUF980028
OCTOBER 27, 1998

APPLICATION OF
SHENANDOAH TELEPHONE COMPANY

For authority to borrow from the United States government

ORDER GRANTING AMENDED AUTHORITY

By letter dated October 6, 1998, counsel for Shenandoah Telephone Company ("ShenTel" or "the Company") notified the Division of Economics and Finance of an inaccuracy in ShenTel's application in Case No. PUF980014 that was subsequently recited in the Commission's July 8, 1998 Order Granting Authority. That inaccuracy was a reference to ShenTel being a secured "conduit lender" of Shenandoah County ("the County") for a $750,000 loan from the United States government to assist the County with its plans to construct a new library facility and to link the county's libraries together through Internet infrastructure improvements.

ShenTel notes that, instead of being a secured "conduit lender", it will have a leasehold interest in the land and any improvements to the library building for a ten year period. It will be relying on the County's general obligation to appropriate funds each year to make the financing lease payments in order to pay back the loan to the Rural Business Cooperative Service. ShenTel requests that, if the Commission deems it appropriate, the Commission issue an order deleting the reference to ShenTel being a secured "conduit lender".

NOW THE COMMISSION, having considered the matter, is of the opinion that ShenTel's request should be granted. We will treat ShenTel's letter as a motion requesting an amendment of authority granted in Case No. PUF980014 under the revised terms described herein. Accordingly,

IT IS ORDERED THAT:

(1) ShenTel hereby is authorized to enter into a transaction and borrow up to $750,000 from the United States Department of Agriculture under the revised terms and the conditions and purposes as set forth herein.

(2) The authority granted herein shall have no implications for ratemaking purposes.

(3) There appearing nothing further to be done in this matter, it be, and hereby is, dismissed.

CASE NO. PUF980029
NOVEMBER 20, 1998

APPLICATION OF
PRINCE GEORGE ELECTRIC COOPERATIVE

For authority to issue long-term debt

ORDER GRANTING AUTHORITY

On October 29, 1998, Prince George Electric Cooperative ("Company" or "Applicant") filed an application under Chapter 3 of Title 56 of the Code of Virginia requesting authority to incur long-term indebtedness with the National Rural Utilities Cooperative Financing Corporation ("CFC"). Applicant has paid the requisite fee of $250.

Applicant requests authority to obtain financing from CFC in the amount of $1,410,000. The proceeds will be used to fund new construction and system improvements as approved by RUS in the Company's three-year work plan. The loan will be unsecured and will have a thirty five-year maturity. The loan may have a variable or fixed interest rate depending on market conditions at the time of the drawdown.

THE COMMISSION, upon consideration of the application and having been advised by its Staff, is of the opinion and finds that approval of the application will not be detrimental to the public interest. Accordingly,

IT IS ORDERED THAT:

1) Applicant is hereby authorized to borrow up to $1,410,000 from CFC, under the terms and conditions and for the purposes set forth in the application.

2) Within thirty (30) days of the date of any advance of funds from CFC, Applicant shall file with the Commission's Division of Economics and Finance a Report of Action which shall include the amount of the advance, the interest rate selected, and the interest rate maturity.

3) Applicant shall seek Commission approval to convert to variable interest rates on the CFC loan once a fixed rate is selected.

4) Approval of this application shall have no implications for ratemaking purposes.

5) There being nothing further to be done, this matter is hereby dismissed.

CASE NO. PUF980030
DECEMBER 3, 1998

APPLICATION OF
ATMOS ENERGY CORPORATION

For authority to incur short-term indebtedness

ORDER GRANTING AUTHORITY

On November 12, 1998, Atmos Energy Corporation ("Atmos" or "Applicant") filed an application under Chapters 3 and 4 of Title 56 of the Code of Virginia requesting authority to incur short-term indebtedness. The amount of short-term debt proposed in this application is in excess of twelve percent of capitalization as defined in Code § 56-65.1. Applicant has paid the requisite fee of $250.

Atmos requests authority to borrow up to $300,000,000 of short-term debt during calendar year 1999. Applicant proposes to borrow the short-term funds by making draw-downs under existing credit facilities or through the use of its commercial paper program. Under the credit facilities, the interest rate may be either negotiated at the time of drawdown or based on the then-prevailing LIBOR rate. Under the commercial paper program, the interest rate is set daily based upon market conditions.

Applicant has also requested authority to borrow and/or lend short-term debt between it and its subsidiaries up to a maximum of $20,000,000 outstanding at any one time for maturity periods of less than twelve months. The interest rate on the affiliate transactions will be based on the lender's borrowing rate plus a mark-up; in no case, will the rate be less than the cost of those funds to the lending company.

Applicant states that the funds will be applied to increase working capital and for the construction, extension, improvement and/or additions to its facilities until financial market conditions are appropriate for entering into long-term financing arrangements.

THE COMMISSION, upon consideration of the application and having been advised by its Staff, is of the opinion and finds that approval of the application will not be detrimental to the public interest. Accordingly,

IT IS ORDERED THAT:

1) Applicant is hereby authorized to issue short-term debt in excess of twelve percent of capitalization in an aggregate amount outstanding not to exceed $300,000,000 at any one time for the calendar year ended December 31, 1999, under the terms and conditions and for the purposes set forth in the application.

2) Applicant is hereby authorized to lend and borrow short-term debt between it and its subsidiaries up to an aggregate amount of $20,000,000 for the calendar year ended December 31, 1999, under the terms and conditions and for the purposes set forth in the application.

3) Applicant shall file within 60 days of the end of each calendar quarter commencing on May 30, 1998, a report regarding short-term debt financing to include the date, amount, interest rate of each draw-down, interest coverage ratios calculated in accordance with Applicant's indenture agreement, the use of the proceeds, the average monthly balances, the monthly maximum amount outstanding, the associated costs, and a balance sheet reflecting actions taken as well as a report describing the source, amount, date, interest rate and the schedule of repayment for each affiliate loan/borrowing.

4) The authority granted herein shall not preclude the Commission for applying the provisions of § 56-78 and § 56-80 of the Code of Virginia hereafter.

5) The Commission reserves the right to examine the books and records of any affiliate, whether or not such affiliate is regulated by this Commission, in connection with the authority granted herein, pursuant to § 56-79 of the Code of Virginia.

6) The authority granted herein shall have no implications for ratemaking purposes.

7) This matter shall remain under the continued review, audit and appropriate directive of the Commission.

CASE NO. PUF980031
DECEMBER 17, 1998

APPLICATION OF
SHENANDOAH VALLEY ELECTRIC COOPERATIVE

For authority to issue long-term debt

ORDER GRANTING AUTHORITY

On December 1, 1998, Shenandoah Valley Electric Cooperative ("Company" or "Applicant") filed an application under Chapter 3 of Title 56 of the Code of Virginia requesting authority to incur long-term indebtedness with the National Rural Utilities Cooperative Financing Corporation ("CFC"). Applicant has paid the requisite fee of $250.

Applicant requests authority to obtain financing from CFC in the amount of $22,000,000 over a period of five years. The proceeds will be used to fund new construction and system extensions and improvements approved by RUS. The loan will be secured and each note drawn under the loan

agreement will have a thirty five-year maturity. The notes may have a variable or fixed interest rate depending on market conditions at the time of each drawdown.

THE COMMISSION, upon consideration of the application and having been advised by its Staff, is of the opinion and finds that approval of the application will not be detrimental to the public interest. Accordingly,

IT IS ORDERED THAT:

1) Applicant is hereby authorized to borrow up to $22,000,000 from CFC, under the terms and conditions and for the purposes set forth in the application.

2) Within thirty (30) days of the date of any advance of funds from CFC, Applicant shall file a Report of Action which shall include the amount of the advance, the interest rate selected, and the interest rate maturity.

3) Applicant shall file no later than February 28, 2000, a Final Report of Action with the Commission's Division of Economics and Finance which shall include a copy of the new three-year work plan filed with the RUS.

4) Applicant shall seek Commission approval to convert to variable interest rates on the CFC notes once a fixed rate is selected.

5) Approval of this application shall have no implications for ratemaking purposes.

6) There being nothing further to be done, this matter is hereby dismissed.

CASE NO. PUF980033
DECEMBER 18, 1998

APPLICATION OF
COLUMBIA GAS OF VIRGINIA, INC.
and
THE COLUMBIA ENERGY GROUP, INC.

For approval of intercompany financing for 1999

ORDER GRANTING AUTHORITY

On December 8, 1998, Columbia Gas of Virginia, Inc. ("Columbia" or "Applicant") and The Columbia Energy Group, Inc. ("Columbia Group"), filed an application under Chapters 3 and 4 of Title 56 of the Code of Virginia requesting authority to enter into intercompany financing arrangements during 1999. The amount of short-term debt authority requested in the application is in excess of twelve (12) percent of total capitalization as defined in § 56-65.1 of the Code of Virginia. Applicant has paid the requisite fee of $250.

Commonwealth requests authority to enter into the following financing arrangements with the Columbia Group, its parent company, during the calendar year 1999: 1) to issue and sell Promissory Notes and/or Common Stock to the Columbia Group not to exceed $10,000,000 in combined total; 2) to borrow up to $45,000,000 in short-term loans from other affiliated companies through the Intrasystem Money Pool ("Money Pool"); 3) to invest temporary excess cash in the Money Pool from time to time.

The proceeds from the Promissory Notes and/or Common Stock will be used to fund Commonwealth's capital expenditures during the upcoming year and for other corporate requirements. The short-term financing from the Money Pool loans will be used for peak short-term requirements such as gas purchases and related storage activities.

THE COMMISSION, upon consideration of the application and having been advised by its Staff, is of the opinion and finds that approval of the application will not be detrimental to the public interest. Accordingly,

IT IS ORDERED THAT:

1) Applicant is hereby authorized to enter into the following financial transactions:

a) to issue and sell Promissory Notes and/or Common Stock to the Columbia Group in combined total not to exceed $10,000,000;

b) to borrow up to $45,000,000 through the Money Pool from the Columbia Group and/or other affiliates in excess of twelve percent of total capitalization; and

c) to invest temporary excess cash in the Money Pool;

from January 1, 1999, through December 31, 1999, in all manner, and under the terms and conditions, and for the purposes set forth in the application.

2) Approval of this application shall have no implications for ratemaking purposes.

3) The authority granted herein shall not preclude the Commission from applying the provisions of §§ 56-78 and 56-80 of the Code of Virginia hereafter.

4) The Commission reserves the right to examine the books and records of any affiliate, whether or not such affiliate is regulated by this Commission, in connection with the authority granted herein, pursuant to § 56-79 of the Code of Virginia.

5) Applicant shall file quarterly reports of action within 60 days of the end of each calendar quarter following the date of this order, to include:

a) a monthly schedule of Money Pool borrowings, segmented by borrower (whether System or affiliate);

b) monthly schedules that separately reflect interest expenses, each type of allocated fee, and an explanation of how both the interest rate and allocated fee have been calculated;

c) monthly schedules of the System's borrowings under any letter or line of credit agreements;

d) a report detailing the issuance of Common Stock, to include the number of shares and price per share, date of issuance, and use of the proceeds; and

e) a report detailing the issuance of any Promissory Notes, to include the date of the issue, face amount issued, date of maturity, quarterly principal repayment schedule, the interest rate and method for setting the interest rate, and the U.S. Treasury rate of comparable maturity.

6) Applicant shall file a final report of action on or before February 28, 2000, to include data for the fourth quarter of 1999 as prescribed in ordering paragraph (5) herein.

7) This matter shall be continued, subject to the continued review, audit and appropriate directive of the Commission.

DIVISION OF SECURITIES AND RETAIL FRANCHISING

CASE NO. SEC810006
JANUARY 21, 1998

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
BILL D. VAUGHT, Individually, and d/b/a Vaught Oil Company,
Defendant

DISMISSAL ORDER

By order entered herein on February 3, 1983, this matter was continued generally. The Commission, upon the advice and recommendation of the Division of Securities and Retail Franchising, is of the opinion and finds that this case should be dismissed; it is, therefore,

ORDERED that this case be, and it hereby is, dismissed from the Commission's docket and the papers herein be placed in the file for ended causes.

CASE NOS. SEC880095 and SEC880094
JANUARY 21, 1998

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
SUFFOLK CHRISTIAN SCHOOLS, INC.
and
GARY L. JORDAN,
Defendants

DISMISSAL ORDER

By order entered herein on September 21, 1988, these matters were retained on the Commission's docket. The Commission, upon the advice and recommendation of the Division of Securities and Retail Franchising, is of the opinion and finds that these cases should be dismissed; it is, therefore,

ORDERED that these cases be, and they hereby are, dismissed from the Commission's docket and the papers herein be placed in the file for ended causes.

CASE NO. SEC910019
JANUARY 28, 1998

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
TIDEWATER FINANCIAL GROUP, INC.,
Defendant

DISMISSAL ORDER

By order entered herein on August 5, 1991, this matter was continued generally. The Commission, upon the advice and recommendation of the Division of Securities and Retail Franchising, is of the opinion and finds that this case should be dismissed; it is, therefore,

ORDERED that this case be, and it hereby is, dismissed from the Commission's docket and the papers herein be placed in the file for ended causes.

CASE NO. SEC930014
OCTOBER 13, 1998

PETITION OF
SHANNON AKIRA HAYASHI

ORDER REINSTATING INJUNCTION

The Division of Securities and Retail Franchising filed a "Motion to Reinstate Injunction" on August 25, 1998. The certificate of service appended to the motion states that a copy of the pleading was mailed to Shannon Akira Hayashi on the same date the motion was filed. Mr. Hayashi has not filed a response to the motion.

The Division's motion recites that, by order entered in this case on February 3, 1994, the permanent injunction previously imposed against Hayashi by the Commission was dissolved upon the condition, among others, that Hayashi make the payments required of him by the terms of the Rescission Agreement and Release he entered into with the Virginia investor. The order further provides that if Hayashi materially defaulted in making the payments or performing any of the other conditions of the dissolution, the permanent injunction would be reinstated summarily. The Division alleges that Hayashi has failed to pay the Virginia investor in accordance with the rescission arrangement, and requests that the injunction be reinstated.

THE COMMISSION, upon consideration of this matter, is of the opinion and finds that Hayashi has materially defaulted under the Rescission Agreement and Release identified in the order of February 3, 1994, and that the permanent injunction entered against him on January 22, 1990, in Case No. SEC890088 should be reinstated. Accordingly,

IT IS ORDERED THAT:

(1) Pursuant to § 13.1-519 of the Code of Virginia, Shannon Akira Hayashi be, and he hereby is, permanently enjoined from transacting business in this Commonwealth as an unregistered agent in violation of § 13.1-504 A of the Code of Virginia and from directly or indirectly selling any security in violation of § 13.1-507 of the Code of Virginia.

(2) This matter is dismissed from the Commission's docket and the papers herein shall be placed in the file for ended causes.

CASE NOS. SEC930045 and SEC930046
JANUARY 21, 1998

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
KENNETH E. GEORGE
and
TIMOTHY H. TANNER,
Defendants

DISMISSAL ORDER

By order entered herein on June 21, 1993, these matters were retained on the Commission's docket. The Commission, upon the advice and recommendation of the Division of Securities and Retail Franchising, is of the opinion and finds that these cases should be dismissed; it is, therefore,

ORDERED that these cases be, and they hereby are, dismissed from the Commission's docket and the papers herein be placed in the file for ended causes.

CASE NO. SEC970008
FEBRUARY 20, 1998

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
EXECUTIVE BUSINESS GROUP, INC., d/b/a ON-HOLD INTERNATIONAL,
Defendant

DISMISSAL ORDER

ON A FORMER DAY the Staff reported to the Commission that the defendant and its franchisee have entered into an agreement settling their claims relating to the franchise sale which resulted in commencement of this proceeding. Accordingly,

IT IS ORDERED THAT:

(1) This case is dismissed.

(2) The papers herein shall be placed among the ended cases.

CASE NO. SEC970015
FEBRUARY 17, 1998

MEDLINK, INC.,
Petitioner
v.
CARILION HEALTH SYSTEM,
GENESIS ELDERCARE NATIONAL CENTERS, INC.
and
THE MEDLINK GROUP, INC.,
Respondents

DISMISSAL ORDER

On March 14, 1997 Medlink, Inc. filed its petition in this case seeking cancellation of the registration of the mark "F.Y.I. MEDLINK" by Respondent Carilion Health System. The other Respondents were made parties to this proceeding by orders dated April 30, 1997 and July 18, 1997. Respondents Carilion Health System and Genesis Eldercare National Centers, Inc. either have disclaimed any ownership of, or right to registration of, any mark containing the word "MEDLINK", or failed to timely file a responsive pleading. On January 14, 1998, Petitioner and Respondent The Medlink Group, Inc. filed a joint Motion To Terminate seeking dismissal of this case and registration of the mark "MEDLINK" to The Medlink Group, Inc. Upon consideration thereof

IT IS ORDERED THAT:

(1) The Registrar shall register the servicemark "MEDLINK" to Respondent The Medlink Group, Inc.

(2) This case is dismissed.

(3) The papers herein shall be placed among the ended causes.

CASE NOS. SEC970039, SEC970040, SEC970041, SEC970042, SEC970044, SEC970045, SEC970046, SEC970047, SEC970048, SEC970049, SEC970050, SEC970051, SEC970052, and SEC970053
MAY 19, 1998

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
Z3 CAPITAL CORPORATION, DAMON ARTIS, JASON CHRISHON, ANDREW COPPOLA, RICHARD GAVZIE, WILLIAM HALES, HENRY KOZIK, EMIL NASH, RICHARD NICHELS, CHARLES POST, CARY ROTHMAN, ASLO TAYLOR, PATRICK TUNNEY,
and
SIMON YEGER,
Defendants

FINAL ORDER AND JUDGMENT

By Rule to Show Cause dated July 8, 1997, the Commission, among other things, assigned these cases to a Hearing Examiner to conduct further proceedings in these matters, including a hearing, on behalf of the Commission. The hearing of these cases was continued from time to time and, at the conclusion of the hearing on February 25, 1998, the Hearing Examiner issued from the bench his Report setting forth his recommended findings of fact, conclusions of law and sanctions. The Commission has been advised (i) that a copy of the Report was mailed to each Defendant on or about March 19, 1998, along with notice that written comments upon the Report could be filed within fifteen (15) days from that date, and (ii) that none of the Defendants has filed comments as of the date of this Order. Upon consideration of the Report and the evidence received in these cases, the Commission is of the opinion and finds:

1. An attested copy of the aforesaid Rule to Show Cause was duly served on each of the Defendants.

2. Z3 Capital Corporation ("Z3") filed several motions to continue the date to file responsive pleadings and the date of the hearing, but neither it nor any of the other Defendants filed a responsive pleading or appeared in their respective case.

3. During all relevant times, Z3 was a corporation.

4. All of the other named Defendants are natural persons ("individual Defendants").

5. Between November 1994 and July 1996, Z3 transacted business in this Commonwealth as a broker-dealer through the individual Defendants, who transacted business in this Commonwealth as agents of Z3.

6. During the aforesaid period, Z3, through the individual Defendants, offered and sold to residents of this Commonwealth securities, to wit: "Triple Crown Units" issued by Z3 and shares of common stock issued by Stella Bella Corporation, U.S.A.

7. In the offer and sale of the aforementioned securities, Z3 obtained money by means of untrue statements of material fact and/or omissions to state material facts in order to make the statements made, in the light of the circumstances under which they were made, not misleading by (i) advising purchasers that the shares of Stella Bella stock were freely transferable when, in fact, the transferability of such shares was restricted; (ii) advising at least one purchaser that he would be able to legally sell the purchased shares after 12 months from the date of purchase when, in fact, the applicable holding period was 24 months; and, (iii) failing to disclose that, by Order of Prohibition issued by the Wisconsin Commissioner of Securities in January 1996, Z3 was prohibited from offering or selling in Wisconsin shares of Stella Bella Corporation, U.S.A. stock and from transacting business in Wisconsin as an unregistered broker-dealer.

8. Z3 was not registered as a broker-dealer under the Securities Act (§ 13.1-501 et seq. of the Code of Virginia) ("Act") when it offered and sold the aforesaid securities to the Virginia residents.

9. None of the individual Defendants was registered as an agent under the Act when he offered and sold the aforesaid securities to the Virginia residents.

10. None of the aforesaid securities was registered under the Act when it was offered and sold to the Virginia residents.

11. During the aforesaid period, Z3 obtained money in an unlawful manner, transacted business in this Commonwealth as an unregistered broker-dealer, employed unregistered agents, and offered and sold unregistered securities.

12. From time to time during the aforesaid period, each of the individual Defendants transacted business in this Commonwealth as an unregistered agent and offered and sold unregistered securities.

13. The acts described above constitute violations of § 13.1-502 (misstating or omitting to state a material fact), § 13.1-504 A (transacting business in the Commonwealth as an unregistered broker-dealer or agent, as the case may be), § 13.1-504 B (employing an unregistered agent), and § 13.1-507 (selling an unregistered security) of the Act, as follows:

a. Z3 committed three violations of § 13.1-502, 47 violations of § 13.1-504 A, 47 violations of § 13.1-504 B, and 47 violations of § 13.1-507.

b. Damon Artis committed 12 violations of § 13.1-504 A and 12 violations of § 13.1-507.

c. Jason Crishon, Richard Gavzie, Henry Kozik, Richard Nichels, Charles Post, Cary Rothman, Aslo Taylor, Patrick Tunney and Simon Yeger each committed one violation of § 13.1-504 A and one violation of § 13.1-507.

d. Andrew Coppola committed three violations of § 13.1-504 A and three violations of § 13.1-507.

e. William Hales committed two violations of § 13.1-504 A and two violations of § 13.1-507.

f. Emil Nash committed three violations of § 13.1-504 A and three violations of § 13.1-507.

14. Each Defendant should be permanently enjoined from future violations of the Securities Act, penalized for each violation committed, and jointly and severally assessed $2,500 for the costs of the investigation. Accordingly,

IT IS ORDERED THAT:

(1) Pursuant to § 13.1-519 of the Code of Virginia, each Defendant is permanently enjoined from violating the provisions of § 13.1-504 or § 13.1-507 of the Code of Virginia; in addition, Z3 Capital Corporation is permanently enjoined from violating the provisions of § 13.1-502 of the Code of Virginia.

(2) Pursuant to § 13.1-521 of the Code of Virginia, the Defendants are penalized in the amounts set forth below on account of their respective violations of the Securities Act:

(a) Z3 Capital Corporation - $5,000 per violation, for a total penalty of $720,000;

(b) Damon Artis - $2,000 per violation, for a total penalty of $48,000;

(c) Jason Crishon, Richard Gavzie, Henry Kozik, Richard Nichels, Charles Post, Cary Rothman, Aslo Taylor, Patrick Tunney and Simon Yeger - $2,000 per violation, for a total penalty of $4,000 against each of these Defendants;

(d) Andrew Coppola - $2,000 per violation, for a total penalty of $12,000;

(e) William Hales - $2,000 per violation, for a total penalty of $8,000;

(f) Emil Nash - $2,000 per violation, for a total penalty of $12,000; and, the Commonwealth recover of and from each Defendant said amounts.

(3) Pursuant to § 13.1-518 of the Code of Virginia, the Defendants, jointly and severally, pay to the Commission $2,500 as costs of the investigation.

(4) These cases are dismissed from the Commission's docket and the papers herein be placed in the file for ended causes.

CASE NO. SEC970056
JUNE 19, 1998

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
FLETCHER AND FARADAY, INC.,
Defendant

FINAL ORDER AND JUDGMENT

By Rule to Show Cause dated February 19, 1998, the Commission, among other things, assigned this case to a Hearing Examiner to conduct further proceedings in this matter, including a hearing, on behalf of the Commission. At the conclusion of the hearing on April 8, 1998, the Hearing Examiner issued from the bench her Report setting forth her recommended findings of fact, conclusions of law, and sanctions. The Commission has been advised (i) that a copy of the Report was mailed to the Defendant on or about April 16, 1998, along with notice that it had fifteen days from that date within which to file written comments upon the Report, and (ii) that no comments were filed within the allotted time, or subsequently submitted. Upon consideration of the Report and the evidence received in this case, the Commission is of the opinion and finds:

1. An attested copy of the aforesaid Rule to Show Cause was duly served upon the Defendant.

2. Fletcher and Faraday, Inc. ("Fletcher") did not file a responsive pleading or appear in this matter and, therefore, is in default.

3. Fletcher is a broker-dealer that has been so registered under the Securities Act (§ 13.1-501 et seq. of the Code of Virginia) ("Act") since April 1993.

4. In the fall of 1994, Fletcher offered and sold in the Commonwealth to two Virginia residents securities in the nature of shares of stock issued by Stella Bella Corporation, USA.

5. The securities, which were sold in two separate transactions, were not registered under the Act.

6. On July 17, 1997, the Commission issued a Rule to Show Cause against Fletcher which alleged, in addition to other facts, the facts set out in paragraphs 3 – 5, above.

7. As a consequence of the July 1997 Rule, Fletcher made an offer to settle the allegations against it by, among other things, paying a penalty to the Commonwealth, reimbursing the Commission for the cost of the investigation, making an offer to rescind the two sales of Stella Bella Corporation, USA stock and making restitution to the Virginia purchasers.

8. The Commission accepted Fletcher's offer of settlement, and entered herein an order to this effect on September 23, 1997. Moreover, the Commission retained jurisdiction to institute further action against Fletcher if it failed to comply with any of its undertakings related to rescission and restitution.

9. By the terms of the September 1997 order, rescission and restitution should have been completed by mid-December 1997. However, the Virginia purchasers never received either an offer to rescind the sales or restitution.

10. The findings set out above establish that Fletcher committed two violations of § 13.1-507 of the Act (sale of unregistered securities) as well as one violation of an order of the Commission, for which the Defendant should be sanctioned. Accordingly,

IT IS ORDERED THAT:

(1) Pursuant to § 13.1-521 of the Act, the broker-dealer registration issued by the Commission to Fletcher and Faraday, Inc. in April 1993 is revoked effective midnight, July 24, 1998.

(2) Upon receiving a copy of this order, Fletcher shall promptly (a) notify all of its customers located in Virginia ("Virginia accounts") that it will no longer be registered under the Act as a broker-dealer after July 24, 1998, and that they must liquidate or transfer their accounts by such date, and (b) make reasonable and necessary arrangements for the orderly liquidation or transfer on or before July 24, 1998 of its Virginia accounts.

(3) On and after the date it receives a copy of this order, Fletcher is prohibited from (a) opening any new Virginia account or (b) effecting transactions for any existing Virginia account except for transactions related to liquidating such account or transferring such account from Fletcher to a broker-dealer so registered under the Act that is unaffiliated with Fletcher.

(4) Pursuant to § 13.1-519 of the Act, Fletcher is permanently enjoined from violating any provision of the Securities Act.

(5) This case is dismissed from the Commission's docket and the papers herein be placed in the file for ended causes.

CASE NO. SEC980001
JANUARY 7, 1998

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
STEVEN RICHARD LIANG,
Defendant

ORDER OF SETTLEMENT

The Commission's Division of Securities and Retail Franchising conducted an investigation of the Defendant, Steven Richard Liang ("Liang") pursuant to § 13.1-518 of the Code of Virginia.

As a result of the investigation, the Division alleges that the defendant, while employed as a registered agent with Sterling Foster & Company, Inc., a broker-dealer registered under the Virginia Securities Act ("Act"), has;

(A) In violation of § 13.1- 502 (2) of the Act, conducted unlawful offers and sales to four Virginia investors involving ten transactions and obtained money from them by means of untrue statements of material facts and the omission of material facts regarding securities offered through Sterling Foster.

(B) In violation of the Commission's Securities Act Rules 21 VAC 5-20-280 A3, and 21 VAC 5-20-280 B6, recommended to four Virginia customers the purchase of securities without reasonable grounds to believe that the recommendations were suitable based upon reasonable inquiry concerning the customers' investment objectives, financial situation and needs, and any other relevant information known by the broker-dealer.

The Defendant neither admits nor denies these allegations, but admits the Commission's jurisdiction and authority to enter this Order of Settlement.

As a proposal to settle all matters arising from the allegations made against him, the Defendant has proposed and agrees to comply with the following terms and undertakings:

(1) The Defendant will not for a period of twelve (12) months from the date of this Order of Settlement, (i) seek to become registered under the Virginia Securities Act as an agent of a broker-dealer, (ii) engage in the offer or sale of any security to a resident of the Commonwealth of Virginia, and (iii) be associated in any supervisory capacity with any broker-dealer registered under the Virginia Securities Act.

(2) After the conclusion of the twelve (12) month period, the Defendant will not be registered with any broker-dealer registered under the Virginia Securities Act unless such broker-dealer submits to the Division, by affidavit, prior agreement to the following special supervisory procedures:

(a) For the period ending twenty-four (24) months from the date of this Order of Settlement, the compliance officer, or an appointed designee, will (i) review all the Defendant's Virginia customers' orders not later than the next business day after the execution of the orders to ensure compliance with the Commission's Securities Act Rules 21 VAC 5-20-280 A3, and 21 VAC 5-20-280 B6, (ii) for each three month period, randomly select and contact by mail not less than ten percent (10%) of the Defendant's active Virginia customers to determine if the Defendant's customers have any complaints regarding the Defendant's handling of their accounts, and (iii) maintain a record of the name of each client contacted, the date on which each client was contacted, the means by which each client was contacted, and the substance of any complaint or adverse comment concerning the Defendant.

(b) For the period ending twenty-four (24) months from the date of this Order of Settlement, if the compliance office, or appointed designee, discovers any irregularity or abuse in connection with any transaction effected for a Virginia customer by the Defendant or receives any complaint from a Virginia customer against the Defendant, that individual shall promptly notify the Commission in writing.

(3) The Defendant will refrain from any further conduct which constitutes a violation of the Securities Act or the Rules promulgated thereunder.

The Division has recommended that the Defendant's offer of settlement be accepted pursuant to the authority granted to the Commission in § 12.1-15 of the Code of Virginia.

NOW, THEREFORE, IT IS ORDERED:

(1) That, pursuant to the authority granted to the Commission in § 12.1-15 of the Code of Virginia, the Defendant's offer of settlement is accepted;

(2) That Defendant fully comply with the aforesaid terms and undertakings of the settlement; and

(3) That this case is dismissed and the papers herein be placed in the file for ended causes.

CASE NOS. SEC980003 and SEC980002
JANUARY 16, 1998

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
MESA ENERGY, INC.
and
MIKE ERHARDT,
Defendants

ORDER ACCEPTING OFFER OF SETTLEMENT

The Commission's Division of Securities and Retail Franchising ("Division") has instituted an investigation of the Defendants, Mesa Energy, Inc. ("Mesa Energy") and Mike Erhardt, pursuant to § 13.1-518 of the Code of Virginia.

As a result of its investigation, the Division alleges that (i) Mesa Energy transacted business in the Commonwealth as an unregistered broker-dealer in violation of § 13.1-504 A of the Code of Virginia; (ii) Mesa Energy employed an unregistered agent in violation of § 13.1-504 B of the Code of Virginia; (iii) Mike Erhardt transacted business in the Commonwealth as an unregistered agent in violation of § 13.1-504 A of the Code of Virginia; and (iv) the Defendants offered and sold unregistered securities in the form of working interest units in the North Papalote Prospect, in violation of § 13.1-507 of the Code of Virginia. The Defendants neither admit nor deny the allegations, but admit the Commission's jurisdiction and authority to enter this Order.

As a proposal to settle all matters arising from the allegations made against them, the Defendants have offered and agreed to comply with the following terms and undertakings:

(1) Within fifteen days of the date of this Order, Mesa Energy will make or cause to be made a written offer of rescission to the Virginia investors to include (i) an offer to repay the full principal sum invested, plus interest thereon at an annual rate of six (6) percent calculated from the date of the investor's purchase, less the amount of any income received on the security; (ii) an explanation of the reason for the rescission offer; (iii) provisions that the investor has thirty (30) days from the date of receipt of the offer to provide Mesa Energy written notification of his/her decision to accept or reject the offer, and that, if the offer is accepted, Mesa Energy will make payment within fifteen (15) days from the date it receives acceptance of the offer.

(2) Evidence of compliance with the provisions of paragraph (1), above, will be filed with the Division by Mesa Energy within thirty (30) days from the date that payment is made or that the offer is rejected or lapses; that such evidence will be in the form of an affidavit, executed by the president of Mesa Energy, which will contain the following information: (i) the date on which each investor received the offer; (ii) the date and nature of each investor's response to the offer; and (iii) if applicable, the date on which payment was remitted to each investor and the dollar amount of the payment.

(3) The Defendants will be permanently enjoined from violating the provisions of the Virginia Securities Act in the future.

(4) Mesa Energy will not, directly or indirectly, transact business in this Commonwealth as a broker-dealer unless so registered under the Virginia Securities Act, or exempt therefrom.

(5) Mesa Energy will employ, for the purposes of offering and selling securities in this Commonwealth, only agents who are so registered under the Virginia Securities Act, or exempt therefrom.

(6) Mike Erhardt will not, directly or indirectly, transact business in this Commonwealth as an agent unless so registered under the Virginia Securities Act, or exempt therefrom.

(7) The Defendants will not, directly or indirectly, offer or sell in this Commonwealth any securities unless they are registered under the Virginia Securities Act, or exempt therefrom.

(8) Pursuant to § 13.1-518 A of the Code of Virginia, Mesa Energy will pay to the Commission five hundred fifty dollars ($550) to defray the cost of the investigation and pursuant to § 13.1-521 of the Code of Virginia, Mesa Energy will pay to the Commonwealth within sixty (60) days of the date of this Order, five thousand dollars ($5, 000) as a penalty.

(9) It is recognized and understood that if the Defendants fail to comply with any of the foregoing terms and undertakings, then the Commission reserves the right to take whatever action it deems appropriate, including but not limited to, instituting a show cause proceeding under the Virginia Securities Act or other applicable statutes based on such failure to comply, on the allegations contained herein and/or on such other allegations as are warranted, and the Defendants will not contest the exercise of the right reserved.

The Division has recommended that the Defendants' offer of settlement be accepted pursuant to the authority granted to the Commission in § 12.1-15 of the Code of Virginia.

NOW, THEREFORE, IT IS ORDERED:

(1) That, pursuant to the authority granted to the Commission in § 12.1-15 of the Code of Virginia, the Defendants' offer of settlement is accepted;

(2) That the Defendants fully comply with the aforesaid terms and undertakings of the settlement;

(3) That, pursuant to § 13.1-518 A of the Code of Virginia, Mesa Energy shall pay the Commission five hundred fifty dollars ($550) to defray the cost of the investigation, pursuant to § 13.1-521 of the Code of Virginia, Mesa Energy shall pay to the Commonwealth within sixty (60) days of the date of this Order five thousand dollars ($5, 000) as a penalty, and that the Commission and the Commonwealth recover of and from Mesa Energy said amounts;

(4) That the sum of five hundred fifty dollars ($550) tendered by Mesa Energy contemporaneously with the entry of this Order is accepted;

(5) That, pursuant to § 13.1-519 of the Code of Virginia, the Defendants are permanently enjoined from violating the provisions of the Virginia Securities Act in the future; and

(6) That the Commission retains jurisdiction in this matter for all purposes, including the institution of a show cause proceeding as described above, or taking such other action as it deems appropriate on account of the Defendants' failure to comply with the terms and undertakings of the settlement.

CASE NO. SEC980004
JANUARY 16, 1998

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
CORNERSTONE FUND
and
DAVID L. FLEET,
Defendants

SETTLEMENT ORDER

The State Corporation Commission's Division of Securities and Retail Franchising has instituted an investigation of the Defendants, Cornerstone Fund and David L. Fleet, pursuant to § 13.1-518 of the Code of Virginia.

As a result of its investigation, the Division alleges that (i) in violation of § 13.1-504 A of the Code of Virginia, David L. Fleet transacted business in this Commonwealth as an unregistered agent for Cornerstone Fund, (ii) in violation of of § 13.1-504 B of the Code of Virginia, Cornerstone Fund employed an unregistered agent, and (iii) in violation of § 13.1-507 of the Code of Virginia, Cornerstone Fund and David L. Fleet offered for sale and sold unregistered securities in the form of evidences of indebtedness and/or investment contracts issued by Cornerstone Fund. The Defendants neither admit nor deny these allegations, but admit the Commission's jurisdiction and authority to enter this Settlement Order. As a proposal to settle all matters arising from the allegations made against them, the Defendants have offered, and agreed to comply with, the following terms and undertakings:

(1) The Defendants will provide the Commission contemporaneously with the entry of this Order written evidence that each Virginia security holder has been repaid the full amount invested in the aforesaid securities issued by Cornerstone Fund, plus at least six percent interest on the sum invested, or written evidence that the investor declined the rescission offer made to him or her by the Defendants.

(2) The Defendants agree not to offer or sell securities in this Commonwealth in the future unless such securities are registered under the Securities Act or exempt from registration.

(3) David L. Fleet agrees that he will not transact business in this Commonwealth as an agent unless he is registered under the Securities Act or is exempt from registration.

The Division has recommended that the Defendants' offer of settlement be accepted pursuant to the authority granted to the Commission in § 12.1-15 of the Code of Virginia.

NOW, THEREFORE, IT IS ORDERED:

(1) That, pursuant to the authority granted to the Commission in § 12.1-15 of the Code of Virginia, the Defendants' offer of settlement is accepted;

(2) That the Defendants fully comply with the aforesaid terms and undertakings of the settlement; and

(3) That this case is dismissed from the Commission's docket and the papers herein be placed in the file for ended causes.

CASE NO. SEC980006
FEBRUARY 26, 1998

APPLICATION OF
PRESBYTERIAN INVESTORS FUND, INC.

For an Order of Exemption under § 13.1-514.1 B of the Code of Virginia, as amended

ORDER OF EXEMPTION

THIS MATTER came on for consideration upon written application dated December 1, 1997, with exhibits attached thereto, of Presbyterian Investors Fund, Inc. ("Presbyterian Investors") requesting that certain securities be exempted from the securities registration requirements of the Securities Act (§ 13.1-501 et seq. of the Code of Virginia) and that certain officers of Presbyterian Investors be exempted from the agent registration requirements of said Act.

BASED UPON THE INFORMATION submitted, the following facts, in addition to others not enumerated herein, appear to exist: Presbyterian Investors is a Georgia nonprofit corporation organized and operated exclusively for religious, educational and charitable purposes; Presbyterian Investors intends to offer and sell 1997 Church Development Fund Certificates (the "Certificates") in an approximate aggregate amount of $15,000,000 on terms and conditions as more fully described in the Prospectus filed as a part of the application; and, the Certificates are to be offered and sold by officers of Presbyterian Investors who will not be compensated for their sales efforts.

THE COMMISSION, based on the facts asserted by Presbyterian Investors in the written application and exhibits, is of the opinion and finds, and does hereby ADJUDGE AND ORDER that, pursuant to § 13.1-514.1 B of the Code of Virginia, the securities described above be, and they hereby are, exempted from the securities registration requirements of the Securities Act and the officers of Presbyterian Investors who offer and sell the Certificates be, and they hereby are, exempted from the agent registration requirements of said Act.

CASE NO. SEC980007
FEBRUARY 11, 1998

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION

Ex parte, in re: Promulgation of rules and forms pursuant to § 13.1-523 of the Code of Virginia (Securities Act)

ORDER AMENDING 21 VAC 5-85-10 AND ADOPTING FORMS

On February 2, 1998, the Commission's Division of Securities and Retail Franchising received notice that the Securities and Exchange Commission approved for use as of February 17, 1998, Revised Form U-4, Uniform Application for Securities Industry Registration or Transfer, and Revised Form U-5, Uniform Termination Notice for Securities Industry Registration. The notice further advised that once the Revised Forms become effective, the "old" (i.e., current) Forms U-4 and U-5 will no longer be accepted for processing by the NASAA/NASD Central Registration Depository ("CRD") system maintained and operated by the National Association of Securities Dealers, Inc.

Form U-4 has been in use for many years as the uniform application form accepted by this Commission and all other United States securities regulatory jurisdictions for the registration of broker-dealer agents and investment advisor representatives. Form U-5 is the uniform form used to terminate the registration of an agent or investment advisor representative.

This Commission has continuously utilized the CRD system for processing applications for registration of broker-dealer agents and investment advisor representatives filed under the Virginia Securities Act since September 1981 and July 1987, respectively. In order to continue to utilize the CRD system and to avoid undue disruption of the agent and investment advisor representative registration process in Virginia, Revised Forms U-4 and U-5 must be adopted and accepted for use by the Commission in accordance with the effective date established by the Securities and Exchange Commission. It is, therefore,

ORDERED:

(1) With respect to applications for registration as a broker-dealer agent or as an investment advisor representative and notices of termination of registration as a broker-dealer agent or as an investment advisor representative filed pursuant to the Securities Act on the CRD system, Revised Form U-4 (11/97) and Revised Form U-5 (11/97) are adopted and shall become effective as of February 17, 1998. A copy of each Revised Form is attached to and made a part of this Order.

(2) With respect to all such applications and notices that are not filed on the CRD system, an applicant or registrant, as the case may be, shall be permitted to file with the Commission either the current Form U-4 or Form U-5, or the Revised Form U-4 and Revised Form U-5, through June 30, 1998, after which date only the Revised Forms shall be accepted by the Commission. Form U-4 and Form U-5 are repealed as of July 1, 1998.

(3) The Commission's Securities Act Rule 21 VAC 5-85-10 (Chapter 85, Forms) is amended to conform to the provisions of this Order. A copy of this Rule, as hereby amended, is attached and made a part of this Order.

(4) This matter is dismissed from the Commission's docket and the papers herein be placed in the file for ended causes.

NOTE: A copy of Attachment A entitled "Chapter 85 Forms" is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

CASE NO. SEC980008
FEBRUARY 18, 1998

APPLICATION OF
KEMPSVILLE BAPTIST CHURCH OF VIRGINIA BEACH, VIRGINIA

For an Order of Exemption under § 13.1-514.1 B of the Code of Virginia, as amended

ORDER OF EXEMPTION

THIS MATTER came on for consideration upon written application dated January 20, 1998, with exhibits attached thereto, as subsequently amended, of Kempsville Baptist Church of Virginia Beach, Virginia ("Kempsville") located at 5024 Princess Ann Road, Virginia Beach, VA 23462, requesting that certain First Deed of Trust Bonds be exempted from the securities registration requirements of the Securities Act (§ 13.1-501 et seq. of the Code of Virginia) pursuant to the Virginia Code § 13.1-514.1 B and that certain members of "Kempsville" be exempted from the agent registration requirements of said Act.

BASED UPON THE INFORMATION submitted, the following facts, in addition to others not enumerated herein, appear to exist: "Kempsville" is an unincorporated Virginia organization operating not for private profit but exclusively for religious, educational and benevolent purposes; "Kempsville" intends to offer and sell First Deed of Trust Bonds in an approximate aggregate amount of $200,000.00 on terms and conditions as more fully described in the Prospectus filed as a part of the application; said securities are to be offered and sold by a bond sales committee composed of members of "Kempsville" who will not be compensated for their sales efforts; and said securities may also be offered and sold by broker-dealers so registered under the Securities Act.

THE COMMISSION, based on the facts asserted by "Kempsville" in the written application and exhibits, is of the opinion and finds, and does hereby ADJUDGE AND ORDER that, pursuant to the provisions of Code § 13.1-514.1 B, the securities described above be, and they hereby are, exempted from the securities registration requirements of the Securities Act and the members of the bond sales committee be, and they hereby are, exempted from the agent registration requirements of said Act.

CASE NO. SEC980012
MARCH 18, 1998

APPLICATION OF
CHURCH DEVELOPMENT FUND, INC.

For an Order of Exemption under § 13.1-514.1 B of the Code of Virginia, as amended

ORDER OF EXEMPTION

THIS MATTER came on for consideration upon written application dated February 17, 1998, with exhibits attached thereto, as subsequently amended, of Church Development Fund, Inc. ("CDF") located at 1065 Pacificenter Drive, Suite 190, Anaheim, CA 92806, requesting that certain unsecured debt instruments be exempted from the securities registration requirements of the Securities Act (§ 13.1-501 et seq. of the Code of Virginia) pursuant to § 13.1-514.1 B of the Act.

BASED UPON THE INFORMATION submitted, the following facts, in addition to others not enumerated herein, appear to exist: CDF is a California Religious Nonprofit Corporation operating not for private profit but exclusively for religious, educational and benevolent purposes; CDF intends to offer and sell unsecured debt instruments in an approximate aggregate amount of $100,000,000.00 on terms and conditions as more fully described in the Prospectus filed as a part of the application; said securities are to be offered and sold by registered agents of CDF; and said securities may also be offered and sold by broker-dealers so registered under the Securities Act.

THE COMMISSION, based on the facts asserted by CDF in the written application and exhibits, is of the opinion and finds, and does hereby ADJUDGE AND ORDER that, pursuant to the provisions of § 13.1-514.1 B of the Code of Virginia, the securities described above be, and they hereby are, exempted from the securities registration requirements of the Securities Act.

CASE NO. SEC980013
MARCH 18, 1998

APPLICATION OF
CRF LODGING COMPANY, L.P.

For an official interpretation pursuant to § 13.1-525 of the Code of Virginia

OFFICIAL INTERPRETATION

THIS MATTER came before the Commission for consideration upon the letter-application, with exhibit, of CRF Lodging Company, L.P. ("Applicant") dated January 20, 1998, filed under § 13.1-525 of the Code of Virginia by its counsel and upon payment of the requisite fee. Applicant has requested a determination that the proposed securities transactions described below are exempted from the securities, broker-dealer and agent registration requirements of the Securities Act pursuant to § 13.1-514 B 15 of the Code of Virginia. The pertinent information contained in the application is summarized as follows:

Applicant, a newly formed Delaware limited partnership, proposes to issue and offer up to 22,500,000 units of limited partnership interest ("Units") and unsecured, seven-year notes ("Notes") with a maximum aggregate offering amount of $450,000,000. These instruments will be exchanged for outstanding units of limited partnership interest in up to six limited partnerships which own Marriott-brand hotels ("Hotel Partnerships"). The exchange will occur in conjunction with the mergers of subsidiaries of Applicant with and into one or more of the six Hotel Partnerships. The limited partners of any of the Hotel Partnerships who vote against the merger and comply with certain specified procedures can elect to exchange the Units they receive pursuant to the merger for Notes. The limited partners of the Hotel Partnerships will have the benefit of the governance and disclosure requirements of the merger provisions of the Delaware Revised Uniform Limited Partnership Act. They also will be afforded the protections provided security holders by the rules and guidelines imposed by the National Association of Securities Dealers, Inc. and the New York Stock Exchange in regard to limited partnership "roll-up" transactions. In addition, the proposed merger will be conducted in accordance with the applicable requirements of the Securities Act of 1933, the Securities Exchange Act of 1934, and the rules and regulations of the U.S. Securities and Exchange Commission.

Section 13.1-514 B 15 of the Code of Virginia provides an exemption from the securities, broker-dealer and agent registration requirements of the Securities Act for a number of specified transactions, including "[a]ny transaction incident to a statutory . . . merger . . . ."

THE COMMISSION, upon consideration of this matter and in reliance upon, and limited strictly to, the facts and representations asserted by Applicant, is of the opinion and finds that the proposed merger is within the purview of § 13.1-514 B 15. It is, therefore,

ORDERED that the proposed transactions described above be, and they hereby are, exempted from the securities, broker-dealer and agent registration requirements of the Securities Act pursuant to § 13.1-514 B 15 of the Code of Virginia.

CASE NO. SEC980015
MARCH 19, 1998

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
A. G. EDWARDS & SONS, INC.,
Defendant

ORDER ACCEPTING OFFER OF SETTLEMENT

The Commission's Division of Securities and Retail Franchising ("Division") has instituted an investigation of Defendant, A.G. Edwards & Sons, Inc. ("A.G. Edwards"), pursuant to § 13.1-518 of the Code of Virginia.

As a result of its investigation, the Division alleges:

(1) That A.G. Edwards is a corporation registered as a broker-dealer under the Securities Act of Virginia (§ 13.1-501 et seq. of the Code of Virginia) and has been continuously so registered since September 22, 1981.

(2) That Susan Watts Kreiter ("Kreiter") was employed by A.G. Edwards as a sales assistant and was so employed by A.G. Edwards from December 12, 1990 to December 20, 1996.

(3) That during her employment with A.G. Edwards, Kreiter worked in A.G. Edwards' Richmond branch office under the direct supervision of agents William T. Thompson ("Thompson") and Lee P. Dudley ("Dudley").

(4) That Kreiter obtained money from various A.G. Edwards' customers by making unauthorized withdrawals from the accounts serviced by her direct supervisors.

(5) That Kreiter was able to make the unauthorized withdrawals described above by being allowed unrestricted access into the internal operations area/back office secured area, which violated A.G. Edwards' written procedures concerning the safeguarding of cash and securities, including but not limited to check disbursements and deposits of customer funds.

(6) That as a result of Kreiter's actions during her employment by A.G. Edwards, various clients had money taken from their A.G. Edwards accounts totaling $278,109.14.

(7) That A.G. Edwards violated the Commission's Securities Act Rule 21 VAC 5-20-260 D 2 by failing to enforce written procedures pertaining to the frequent examination of all customer accounts to detect and prevent irregularities or abuses and to insure proper check disbursement and proper deposit of customer funds to specified customer accounts and Rule 21 VAC 5-20-260 D 3 by failing to promptly review and obtain written approval by a designated supervisor of all securities transactions by agents and correspondence pertaining to the solicitation or execution of all securities transactions by agents.

(8) That the A.G. Edwards supervisors, designated pursuant to Securities Act Rule 21 VAC 5-20-260 E to supervise Kreiter's supervisors, violated Securities Act Rule 21 VAC-20-260 E 1 by failing to exercise reasonable supervision over supervisor's under their responsibility.

(9) That A.G. Edwards and its designated supervisors are responsible for the acts of Kreiter pursuant to the common law principles of agency.

Defendant neither admits nor denies the Division's allegations, but as an offer to compromise and settle all matters arising from the allegations made against it, A.G. Edwards represents and undertakes that:

(1) A.G. Edwards has made full restitution, including interest, in the amount of $288,187.92 to the customers who suffered losses by reason of the unauthorized activities of Susan W. Kreiter.

(2) A.G. Edwards, pursuant § 13.1-521 of the Code of Virginia, will pay a penalty to the Commonwealth in the amount of five thousand dollars ($5,000.00) for its alleged violations of the Commission's Securities Act Rules.

(3) A.G. Edwards, pursuant to § 13.1-518, will pay to the Commission the sum of one thousand dollars ($1,000.00) as reimbursement for the costs of the Division's investigation.

(4) A.G. Edwards, within sixty (60) days of the date of this Order, will review and evaluate its current written supervisory policies, procedures and internal controls with respect to the safeguarding of cash and securities, customer cash disbursements, review of non-employee, employee and related accounts, including procedures specifically applicable to the supervision and review over designated supervisors, designed to ensure they fulfill the supervisory obligations required by the Virginia Securities Act and Rules promulgated thereunder, and will revise and report to the Division, updates and improvements of the internal controls and procedures in these areas.

(5) A.G. Edwards, within ninety (90) days from the date of this Order, will file with the Division a report (i) setting forth the results of its review and evaluation referred to in paragraph (4) above, (ii) addressing its then- current and current procedures in the areas referred to in paragraph (4) above, and (iii) its recommendations, if any, for changes and enhancements in the procedures covered in the report.

The Division has recommended that Defendant's offer of settlement be accepted pursuant to the authority granted to the Commission in § 12.1-15 of the Code of Virginia.

NOW, THEREFORE, IT IS ORDERED:

(1) That pursuant to the authority granted to the Commission in § 12.1-15 of the Code of Virginia, Defendant's offer of settlement is accepted;

(2) That Defendant fully comply with the aforesaid terms and undertakings of the settlement;

(3) That pursuant to § 13.1-521 of the Code of Virginia, Defendant shall pay a penalty to the Commonwealth in the amount of five thousand dollars ($5,000.00) and the Commonwealth recover of and from Defendant said amount;

(4) That pursuant to § 13.1-518 of the Code of Virginia, Defendant shall pay to the Commission the sum of one thousand dollars ($1,000.00) as reimbursement for the costs of the investigation;

(5) That the total sum of six thousand dollars ($6,000.00) tendered by Defendant contemporaneously with the entry of this Order is accepted;

(6) That all reports and other filings made pursuant to this Order shall be deemed to be subject to § 13.1-518 of the Code of Virginia; and

(7) That the Commission shall retain jurisdiction in this matter for all purposes.

CASE NO. SEC980016
MARCH 23, 1998

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION

Ex parte, in re: Promulgation of rules and forms pursuant to § 13.1-523 of the Code of Virginia (Securities Act)

ORDER AMENDING 21 VAC 5-85-10 AND ADOPTING FORMS

On or about March 10, 1998, the Commission's Division of Securities and Retail Franchising ("Division") received notice from the National Association of Securities Dealers, Inc. ("NASD") that the Securities and Exchange Commission recently adopted revised Form BD, Uniform Application for Broker-Dealer Registration. The notice further advised that after the revised Form becomes effective on March 16, 1998, the "old" (i.e., current) Form BD will no longer be accepted for processing by the NASAA/NASD Central Registration Depository ("CRD") system maintained and operated by the NASD. Form BD has been in use for many years as the uniform application form accepted by this Commission and all other United States securities regulatory jurisdictions for the registration of broker-dealers.

Since July 1981 this Commission has continuously utilized the CRD system for processing renewal applications for registration of broker-dealers, as well as updates and amendments to broker-dealer applications, filed under the Virginia Securities Act. In order to continue to utilize the CRD system and to avoid undue disruption of the broker-dealer registration process in Virginia, revised Form BD must be adopted and accepted for use by the Commission as soon as possible. It is, therefore,

ORDERED:

(1) With respect to applications for broker-dealer registration filed with the Division by NASD members, and with respect to renewal applications for broker-dealer registration as well as updates and amendments to broker-dealer applications filed pursuant to the Securities Act on the CRD system, revised Form BD (2/98) is adopted and shall become effective upon entry of this Order. A copy of revised Form BD is attached to and made a part of this Order.

(2) With respect to all applications for broker-dealer registration, including renewals, updates and amendments to such applications, filed with the Division by non-NASD members, an applicant or registrant, as the case may be, shall be permitted to file with the Commission either the current Form BD or the revised Form BD through June 30, 1998, after which date only the revised Form BD shall be accepted by the Commission. Form BD (5/94) is repealed as of July 1, 1998.

(3) The Commission's Securities Act Rule 21 VAC 5-85-10 (Chapter 85, Forms) is amended to conform to the provisions of this Order. A copy of this Rule as hereby amended is attached to and made a part of this Order.

(4) This matter is dismissed from the Commission's docket and the papers herein be placed in the file for ended causes.

NOTE: A copy of the Attachment entitled "Chapter 85, Forms" is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

CASE NO. SEC980017
MARCH 23, 1998

APPLICATION OF
FIRST BAPTIST CHURCH OF HILLSVILLE

For an Order of Exemption under § 13.1-514.1 B of the Code of Virginia, as amended

ORDER OF EXEMPTION

THIS MATTER came on for consideration upon written application dated February 17, 1998, with exhibits attached thereto, as subsequently amended, of First Baptist Church of Hillsville, requesting that certain bonds be exempted from the securities registration requirements of the Securities Act (§ 13.1-501 et seq. of the Code of Virginia) and that certain members of First Baptist Church of Hillsville be exempted from the agent registration requirements of said Act.

BASED UPON THE INFORMATION submitted, the following facts, in addition to others not enumerated herein, appear to exist: First Baptist Church of Hillsville is an unincorporated Virginia organization operating not for private profit but exclusively for religious purposes; First Baptist Church of Hillsville intends to offer and sell First Deed of Trust Bonds, Series 1998A (the "Bonds") in an approximate aggregate amount of $500,000 on terms and conditions as more fully described in the Prospectus filed as a part of the application; and, the Bonds are to be offered and sold by members of First Baptist Church of Hillsville who will not be compensated for their sales efforts.

THE COMMISSION, based on the facts asserted by First Baptist Church of Hillsville in the written application and exhibits, is of the opinion and finds, and does hereby ADJUDGE AND ORDER that, pursuant to the provisions of § 13.1-514.1 B of the Code of Virginia, the securities described above be, and they hereby are, exempted from the securities registration requirements of the Securities Act and the members of First Baptist Church of Hillsville who offer and sell the Bonds be, and they hereby are, exempted from the agent registration requirements of said Act.

CASE NO. SEC980020
JUNE 24, 1998

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION

Ex Parte, in re: Adoption of regulations pursuant to § 59.1-92.19 of the Code of Virginia (Virginia Trademark and Service Mark Act (1998))

ORDER ADOPTING REGULATIONS

On or about May 4, 1998, the Division of Securities and Retail Franchising ("Division") mailed to persons whose trademarks or service marks are registered or pending registration under the Virginia Trademark and Service Mark Act (§ 59.1-77 et seq. of the Code of Virginia) currently in effect, and to other interested persons, summary notice of proposed regulations and forms designed to implement the new Virginia Trademark and Service Mark Act (1998) ("Act").[1] The notice also invited the filing of written comments and included information about requesting a hearing with respect to any objections to the proposals. Similar notice was published in several newspapers in general circulation throughout the Commonwealth and in "The Virginia Register of Regulations," Vol. 14, Issue 17, May 11, 1998, p. 2420. The notice stated that the proposed regulations and forms establish the requirements, procedures and fees under the Act pertaining to registering trademarks and service marks, renewing such registrations, and filing assignments and name changes, as well as establish the classification of goods and services. One comment letter was filed. No one requested to be heard, and, consequently, no hearing was held.

The comment letter was submitted on behalf of the Legislation Committee of the Intellectual Property Section of the Virginia Bar Association. The Division has advised the Commission that this Committee worked closely with the General Assembly and the Division during the legislative process resulting in enactment of the Act.

The Committee recommended three technical, minor changes to the proposed regulations. The Division recommends that two of these changes be accepted and, accordingly, that the regulations be modified by including the term "drawing" in the definition of "Exhibit" in 21 VAC 5-120-10 and by

[1] This Act is contained in Chapter 819 of the 1998 Acts of the General Assembly, and takes effect on July 1, 1998.

adding a new regulation, 21 VAC 5-120-90, to clarify that the Commission's Rules of Practice and Procedure, so far as practicable, apply to petitions for cancellation of a mark. The Committee and the Division agreed that the third change, modification of the forms, is not necessary.

The Commission, upon consideration of the proposed regulations, the comment letter, and the recommendation of the Division, is of the opinion and finds that the proposed regulations should be modified as set forth above and adopted.

Accordingly, IT IS ORDERED THAT:

(1) The comment letter and evidence of mailing and publication of notice of the proposed regulations be filed in and made a part of the record of this case.

(2) The proposed regulations previously noticed be, and they hereby are, modified as described above and adopted, effective July 1, 1998. A copy of the regulations as hereby adopted is attached to and made a part of this order.

(3) This matter is dismissed from the Commission's docket and the papers herein be placed in the file for ended causes.

NOTE: A copy of Attachment A entitled "Virginia Trademark and Service Mark Act" is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

CASE NO. SEC980021
JUNE 24, 1998

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION

Ex Parte, in re: Amendment and adoption of rules pursuant to § 13.1-523 of the Code of Virginia (Securities Act)

ORDER AMENDING AND ADOPTING RULES

On or about May 4, 1998, the Division of Securities and Retail Franchising ("Division") mailed to broker-dealers and investment advisors registered or pending registration under the Securities Act (§ 13.1-501 et seq. of the Code of Virginia), issuer agents registered or pending registration under the Securities Act and other interested parties summary notice of proposed amendments to the existing Securities Act Rules ("Rules") and forms, and of the opportunity to file comments and request to be heard with respect to any objections to the proposals.[1] Similar summary notice was published in several newspapers in general circulation throughout the Commonwealth. This notice also was published in "The Virginia Register of Regulations," Vol. 14, Issue 17, May 11, 1998, pp. 2397-8. The notice stated that the purposes of the proposed changes are to implement the 1998 amendments to the Securities Act, conform the Rules to certain regulations promulgated by the U.S. Securities and Exchange Commission, and make technical and other minor changes to various Rules and forms. A total of four comment letters were filed. No one requested to be heard, and, consequently, no hearing was held.

One of the four comment letters was submitted by the Institute of Certified Financial Planners. Two of the other letters were filed by member firms of the Institute, and they contain comments substantively identical to those stated in the Institute's letter.

These three commentators expressed support for the proposed changes to Rules 21 VAC 5-10-40, 21 VAC 5-80-10 and 21 VAC 5-80-170. In addition, they suggested that the Virginia practice of requiring the owners of sole proprietor investment advisor firms to separately register as investment advisors and investment advisor representatives be modified. Their recommended change is to have the individuals' registrations as investment advisors include, or serve as a waiver for, registration as investment advisor representatives.

The Division opposes such a modification at this time because it is beyond the scope of this proceeding. Moreover, the Securities Act may have to be amended to effect this change.

The remaining comment letter focuses on the proposed amendment to Rule 21 VAC 5-80-10, which creates an exclusion, applicable only to sole proprietor investment advisors employing just one investment advisor representative, from the requirement to maintain written supervisory procedures. This person requested that the exclusion be broadened to embrace all investment advisors that employ just one investment advisor representative, regardless of their form of entity, and also recommended repeal of the separate registrations required of sole proprietor investment advisors, described above.

The Division supports expanding the exclusion from the written supervisory procedures requirement to include all entities that have only one investment advisor representative, and recommends that Rule 21 VAC 5-80-10 B 4, as well as Rule 21 VAC 5-80-170 D (a companion to Rule 21 VAC 5-80-10 B 4), be modified accordingly. For the reasons stated earlier, the Division objects to repealing the separate registration requirement.

The Commission, upon consideration of the proposed Rules amendments, the comment letters, and the responses and recommendations of the Division, is of the opinion and finds that the proposed amendments to Rules 21 VAC 5-80-10 B 4 and 21 VAC 5-80-170 D should be modified as noted above and adopted, and that the other proposals should be adopted as noticed.

[1] Included in this mailing was a letter from the Division expressing the Commission's concern about the impact that the "Year 2000" computer phenomenon might have on securities and investment advisor firms as well as their customers, and urging firms to take timely measures to adequately address this issue.

Accordingly, IT IS ORDERED THAT:

(1) The comment letters and evidence of mailing and publication of notice of the proposed amendments to the Rules be filed in and made a part of the record of this case.

(2) The proposed Rules amendments previously noticed be, and they hereby are, modified as described above and adopted, effective July 1, 1998. A copy of the amended Rules as hereby adopted is attached to and made a part of this order.

(3) This matter is dismissed from the Commission's docket and the papers herein be placed in the file for ended causes.

NOTE: A copy of Attachment A entitled "Securities Act" is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

CASE NO. SEC980021
JULY 8, 1998

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION

Ex Parte, in re: Amendment and adoption of rules pursuant to § 13.1-523 of the Code of Virginia (Securities Act)

AMENDING ORDER

IT APPEARING to the Commission that the copy of the Rules attached to and made a part of the Order Amending and Adopting Rules entered herein on June 24, 1998, contains inadvertent clerical errors, identified below, that should be corrected, it is, therefore,

ORDERED THAT:

(1) The definition of the term "Application" set out in 21 VAC 5-10-40 is amended by inserting where indicated the underscored material:

> "*Application*" means all information required by the forms prescribed by the Commission as well as any additional information required by the Commission and any required fees.

(2) The definition of the term "Bank Holding Company Act of 1956" set out in Rule 21 VAC 5-10-40 is amended by inserting where indicated the underscored material:

> "Bank Holding Company Act of 1956" (12 USC § 1841 et seq.) means the federal statute of that name as now or hereafter amended.

(3) Rule 21 VAC 5-30-50 is amended by inserting where indicated the underscored material:

> D. A registration statement filed pursuant to this section need not comply with 21 VAC 5-30-40.

CASE NO. SEC980022
JULY 13, 1998

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
ARNOLD J. WROBEL,
Defendant

FINAL ORDER AND JUDGMENT

By Rule to Show Cause dated April 3, 1998, the Commission, among other things, assigned this case to a Hearing Examiner to conduct further proceedings in this matter, including a hearing, on behalf of the Commission. At the conclusion of the hearing on May 14, 1998, the Hearing Examiner issued from the bench his Report setting forth his recommended findings of fact, conclusions of law, and sanctions. The Commission has been advised (i) that a copy of the Report was mailed to the Defendant on or about June 9, 1998, along with notice that he had fifteen days from that date within which to file written comments upon the Report, and (ii) that no comments were filed within the allotted time, or subsequently submitted. Upon consideration of the Report and the evidence received in this case, the Commission is of the opinion and finds:

1. An attested copy of the aforesaid Rule to Show Cause was duly served upon the Defendant.

2. Arnold J. Wrobel ("Wrobel") did not file a responsive pleading or appear in this matter and, therefore, is in default.

3. Between August 1994 and October 1994, Wrobel, acting in his capacity as an agent of Fortune 300 Financial, Inc., offered and sold in this Commonwealth to at least two Virginia residents securities in the nature of shares of stock issued by Ugly Joe's Thincrust Pizza & Pasta Restaurant Corp., a New York corporation.

4. Wrobel sold 5,000 shares of the aforesaid stock to one Virginia resident in a single transaction and sold 6,000 shares to another Virginia resident in three separate transactions. The residents invested a total of $22,000 in these shares.

5. Wrobel was not registered under the Securities Act (§ 13.1-501 et seq. of the Code of Virginia) as an agent, nor was he exempted from such registration, during the period he offered and sold the aforesaid securities.

6. The shares of stock were not registered under the Act, nor were they exempt from such registration.

7. The findings set out above establish that Wrobel committed four violations of § 13.1-504 A of the Act (transacting business in Virginia as an unregistered agent) and four violations of § 13.1-507 of the Act (sale of unregistered securities), for which he should be sanctioned. Accordingly,

IT IS ORDERED THAT:

(1) Pursuant to § 13.1-521 of the Act, Arnold J. Wrobel is penalized in the amount of $1,500 for each violation of §§ 13.1-504 and 13.1-507 of the Act, and that the Commonwealth shall recover from the Defendant the sum of $12,000 with interest at the rate of 9% per year until paid.

(2) Pursuant to § 13.1-519 of the Act, Arnold J. Wrobel is permanently enjoined from violating in the future any provision of the Securities Act.

(3) Pursuant to § 13.1-518 of the Act, Arnold J. Wrobel is assessed $700 as costs of the investigation, which sum the Commission shall recover from the Defendant.

(4) *This case is dismissed from the Commission's docket and the papers herein be placed in the file for ended causes.*

CASE NO. SEC980023
APRIL 14, 1998

APPLICATION OF
AMA SOLUTIONS, INC.

For an official interpretation pursuant to § 13.1-525 of the Code of Virginia

OFFICIAL INTERPRETATION

THIS MATTER came before the Commission for consideration upon the letter-application of AMA Solutions, Inc. ("Applicant") dated December 19, 1997, as supplemented by letter dated January 27, 1997, filed under § 13.1-525 of the Code of Virginia by its counsel and upon payment of the requisite fee. Applicant has requested a determination that it is not within the intent of the definition of the term "investment advisor" as defined in § 13.1-501 of the Code of Virginia and, consequently, it and its employees are excluded from the registration and other provisions of the Securities Act (§ 13.1-501 et seq. of the Code of Virginia) ("Act") applicable to investment advisors and investment advisor representatives.

The pertinent information contained in the application is summarized as follows: Applicant is a wholly-owned indirect subsidiary of the American Medical Association ("AMA"), a tax-exempt, not-for-profit trade association organized to promote the common interests of the medical profession. The AMA has granted a license to Applicant to use its name and logo in connection with products and services that are intended to address the needs of physicians and are consistent with AMA policies. Applicant has entered into an agreement ("Agreement") pursuant to which it has agreed to endorse and cause the AMA to endorse an investment services program developed with Scudder, Stevens & Clark, Inc. ("Scudder") called "AMA InvestmentLink℠ from Scudder." Scudder is a federally registered investment advisor.[1] Through the program, Scudder has agreed to make available certain of its investment products and services to AMA members and their families. These products include, for example, numerous no-load mutual funds distributed by Scudder Investor Services; discount brokerage services provided by Scudder Brokerage Services, Inc.; individual investment advisory services provided by Scudder Investor Services; certain variable annuity products provided by Scudder; and an asset allocation service provided by Scudder Investor Services. Any person participating in the AMA InvestmentLink℠ program will be a customer of Scudder and not the AMA or Applicant.

Pursuant to the Agreement with Scudder, Applicant's activities related to the AMA InvestmentLink℠ program are contractually limited to: (i) publishing or disseminating to AMA members notices about the opportunity for members to participate in the AMA InvestmentLink℠ program; (ii) working with Scudder to determine which Scudder products are to be offered as part of the program and to develop an annual marketing plan; (iii) providing assistance in the preparation of certain marketing materials identifying the program as a membership benefit available to AMA members generally; (iv) making available the AMA membership list to Scudder for purposes of direct mail advertisements promoting the investment services available through the program to be sent to AMA members by Scudder; and (v) performing certain clerical and ministerial functions related to the program including forwarding telephone inquiries of AMA members and their families to appropriate representatives of Scudder.

Consistent with the aforegoing, the Agreement prohibits Applicant and the AMA from (i) representing to any person that the AMA or Applicant is authorized to render investment advice on behalf of Scudder or any of its affiliates; (ii) rendering to AMA members or non-AMA members specific investment advice of any kind whatsoever, including any recommendations or expressions of opinions as to the investment merits of purchases or sales of particular securities; (iii) holding itself out generally as engaging in the investment advisory, investment management or securities brokerage business or

[1] According to the records of the Commission's Division of Securities and Retail Franchising, Scudder made a notice filing under the Act as a federally registered investment advisor on September 15, 1997, and changed its name to Scudder Kemper Investments, Inc. on January 20, 1998.

regularly providing investment advisory services; (iv) disseminating any advertisement or sales literature regarding the program or Scudder services and products except as have been specifically approved by Scudder; (v) conducting investment seminars for AMA members or non-AMA members except with the participation of Scudder or other registered investment advisory or broker-dealer firms; (vi) permitting any employees of Applicant or the AMA to promote specific Scudder products or services or do any of the foregoing; or (vii) acting in any way on behalf of Scudder except as provided in the Agreement.

Applicant has no place of business located in Virginia, and none of its employees or agents work within or from the Commonwealth. No individual associated with the AMA or Applicant will be compensated based on revenue generated or assets under management in connection with the AMA InvestmentLink℠ program. All interested members that contact Applicant will be referred directly to a Scudder representative to discuss the merits of any investment services or products available through the program. In addition, under the Agreement Scudder is responsible for reviewing all advertising and sales promotional materials relating to the program to be published in AMA literature or to be sent out by Applicant.

Under the Agreement, as compensation for the AMA's endorsement of the AMA InvestmentLink℠ program and for providing Scudder marketing access to AMA's membership, Applicant is entitled, subject to satisfaction of any applicable state legal or regulatory requirements, to receive certain royalty payments based in part on the amount of revenues received by Scudder and its affiliates from those AMA members and their families who have invested in Scudder's products and services through AMA InvestmentLink℠. The Agreement also provides for payment to Applicant of a general monthly fee, initially set at $833.00. The amount of the monthly fee is subject to review and possible adjustment by the parties in the future.

Applicant asserts that there is no reason to require it to register under the Act as an investment advisor because the actual investment services included in the AMA InvestmentLink℠ program will be provided by registered entities and its role in the program is limited to providing ministerial and clerical functions. This assertion is supported by the data contained in the application.

The Commission, upon consideration of and in reliance upon the information submitted, is of the opinion and finds that Applicant is not within the intent of the Act's definition of "investment advisor"; accordingly,

IT IS ORDERED THAT AMA Solutions, Inc. be, and it hereby is, excluded from the definition of "investment advisor" as set forth in § 13.1-501 of the Code of Virginia.

CASE NO. SEC980026
AUGUST 4, 1998

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
MICHAEL D. GARSON,
Defendant

ORDER OF SETTLEMENT

The Commission's Division of Securities and Retail Franchising has instituted an investigation of the Defendant, Michael D. Garson, pursuant to § 13.1-518 of the Code of Virginia.

As set out in the First Amended Rule to Show Cause issued on May 7, 1998, the Division alleges, among other things, that (i) Michael D. Garson, in violation of § 13.1-507 of the Code of Virginia, offered for sale and sold in the Commonwealth an unregistered, non-exempt security in the form of a promissory note issued by Phoenix Energy Corporation, and (ii) Garson transacted business in the Commonwealth as an unregistered agent of Phoenix Energy Corporation in violation of § 13.1-504 A of the Code of Virginia. The Defendant neither admits nor denies these allegations, but admits the Commission's jurisdiction and authority to enter this Order of Settlement.

As a proposal to settle all matters arising from the allegations made against him, the Defendant has offered and agreed to comply with the following terms and undertakings:

(1) Michael D. Garson will be permanently enjoined from directly or indirectly violating § 13.1-504 A and § 13.1-507 of the Code of Virginia.

(2) Michael D. Garson will submit to the Commission simultaneously with the entry of this Order an affidavit stating his current financial condition in support of his representation that he is incapable of paying a monetary penalty.

The Division has recommended that the Defendant's offer be accepted pursuant to the authority granted to the Commission in § 12.1-15 of the Code of Virginia.

NOW, THEREFORE, IT IS ORDERED:

(1) That, pursuant to the authority granted to the Commission in § 12.1-15 of the Code of Virginia, the Defendant's offer of settlement is accepted;

(2) That, pursuant to § 13.1-519 of the Code of Virginia, Michael D. Garson is permanently enjoined from violating § 13.1-504 A or § 13.1-507 of the Code of Virginia;

(3) That the aforementioned affidavit submitted contemporaneously with the entry of this Order is accepted and made a part of this Order; and,

(4) That this case is dismissed from the Commission's docket and the papers herein be placed in the file for ended causes.

CASE NO. SEC980028
MAY 27, 1998

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
ROYAL ALLIANCE ASSOCIATES, INC.,
Defendant

ORDER ACCEPTING OFFER OF SETTLEMENT

The Commission's Division of Securities and Retail Franchising ("Division") has conducted an investigation of Defendant, Royal Alliance Associates, Inc., pursuant to § 13.1-518 of the Code of Virginia.

As a result of its investigation, the Division alleges that Defendant, a broker-dealer so registered under the Virginia Securities Act ("Act"), has:

(A) In violation of § 13.1-502 (2) of the Code of Virginia, through its agent, Richard Scott Bennett, offered to sell securities to three (3) Virginia residents in five (5) separate transactions by means of untrue statements of a material fact;

(B) In violation of § 13.1-502 (3) of the Code of Virginia, through its agent, Richard Scott Bennett, engaged in transactions, practices and courses of business which operated as a fraud or deceit upon four (4) Virginia residents in fourteen (14) separate transactions; and

(C) In violation of Commission Securities Act Rule 21 VAC 5-20-260 D, failed to establish written procedures that adequately complied with the duties imposed on Defendant by this Rule, and failed to enforce those written procedures that had been established.

Defendant neither admits nor denies the allegations, but admits the Commission's jurisdiction and authority to enter this Order.

As a proposal to settle all matters arising from the allegations made against it, Defendant has proposed and agrees to comply with the following terms, representations and undertakings:

(1) Defendant will refrain from conduct which constitutes a violation of the Virginia Securities Act or the Rules promulgated thereunder.

(2) Defendant represents that it retained an independent expert who has undertaken and completed a comprehensive review of Defendant's supervisory and compliance procedures. In light of this review, defendant will report to the Commission by no later than ninety (90) days from the date of this Order Accepting Offer of Settlement the procedures it has developed and is developing to reasonably ensure compliance with Rules 21 VAC 5-20-260 B, 21 VAC 5-20-260 D, 21 VAC 5-20-280 A 2, 21 VAC 5-20-280 A 3, and 21 VAC 5-20-280 A 6, as promulgated under the Act.

(3) Within thirty (30) days from the date of this Order Accepting Offer of settlement, and each one hundred eighty (180) days thereafter for a period of twenty-four (24) months from the date of this Order, the compliance officer, or appointed designee, for Defendant will randomly select and contact by mail not less than seven and one-half percent (7.5%) of Defendant's active Virginia customers to ensure compliance with the Virginia Securities Act and the Rules promulgated thereunder.

(4) For a period of twenty-four (24) months from the date of this Order Accepting Offer of Settlement, if the compliance officer, or appointed designee, of Defendant discovers any material irregularity or abuse in connection with any transaction effected for a Virginia customer by agents of Royal Alliance Associates, Inc. or receives any complaint from a Virginia customer, Defendant will promptly notify the Commission in writing.

(5) Defendant represents that it will voluntarily make a written offer of restitution to the personal representative of Ann D. Hanes, deceased, in the amount of $556,637.45 plus interest in connection with the activities of Richard Scott Bennett described herein; that the personal representative has thirty (30) days from the date of the receipt of the offer to provide Defendant with written notification of his decision to accept or reject the offer; and, that Defendant, if its offer is accepted, will make restitution within ten (10) days from the date it receives acceptance of the offer.

(6) Defendant represents that it will voluntarily make a written offer of restitution, subject to documentary verification of losses incurred, to Paul D. Hanes, in the amount of $21,043.00 plus interest in connection with the activities of Richard Scott Bennett described herein; that Paul D. Hanes will have thirty (30) days from the date of the receipt of the offer to provide Defendant with written notification of his decision to accept or reject the offer; and, that Defendant, if its offer is accepted, will make restitution within ten (10) days from the date it receives acceptance of the offer.

(7) Defendant represents that it will voluntarily make a written offer of restitution, subject to documentary verification of losses incurred, to Steve B. Nielsen, in the amount of $148,816.00 plus interest in connection with the activities of Richard Scott Bennett described herein; that Steve B. Nielsen will have thirty (30) days from the date of the receipt of the offer along with appropriate documenting verification to provide Defendant with written notification of his decision to accept or reject the offer; and that Defendant, if its offer is accepted, will make restitution within ten (10) days from the date it receives acceptance of the offer.

(8) Defendant represents that it has voluntarily paid restitution, including interest, to Philip Mertz, in the amount of $105,000 in connection with the activities of Richard Scott Bennett described herein.

(9) Defendant represents that it will voluntarily make a written offer of restitution, including interest, to Rebecca A. Janssen, in the amount of $2,355 in connection with the activities of Richard Scott Bennett described herein; that Rebecca A. Janssen will have thirty (30) days from

the date of receipt of the offer to provide Defendant with written notification of her decision to accept or reject the offer; and, that Defendant, if its offer is accepted, will make restitution within ten (10) days from the date it receives acceptance of the offer.

(10) Evidence of compliance with the provisions of paragraphs (5). (6), (7). (8) and (9). above. will be filed with the Division by Defendant within seven (7) days from the date payment is remitted to the Virginia investors or from the date the offer is rejected or lapses, whichever occurs first; that such evidence will be in the form of an affidavit, executed by an appropriate officer of Defendant. which will contain, among other things, the date on which payment was remitted to the Virginia investors and the amount of payment remitted to the Virginia investors.

(11) Defendant, pursuant to § 13.1-521 of the Code of Virginia, will pay a penalty to the Commonwealth in the amount of ten thousand dollars ($10.000.00).

(12) Defendant, pursuant to § 13.1-518 of the Code of Virginia, will pay to the Commission the sum of eight thousand one hundred ten dollars ($8,110.00) as reimbursement for the costs of the Division's investigation.

(13) It is recognized and understood that if Defendant fails to comply with any of the foregoing terms and undertakings. then the Commission reserves the right to take whatever action it deems appropriate, including, but not limited to. instituting a show cause proceeding under the Virginia Securities Act or other applicable statute based on such failure to comply. on the allegations contained herein and/or on such other allegations as are warranted, and Defendant will not contest the exercise of the right reserved. However, nothing contained herein shall constitute a waiver by Royal Alliance to defend any action brought by the Commission.

The Division has recommended that Defendant's offer of settlement be accepted pursuant to the authority granted to the Commission in § 12.1-15 of the Code of Virginia.

NOW, THEREFORE, IT IS ORDERED:

(1) That, pursuant to the authority granted to the Commission in § 12.1-15 of the Code of Virginia. Defendant's offer of settlement is accepted;

(2) That Defendant fully comply with the aforesaid terms and undertakings of the settlement;

(3) That pursuant to § 13.1-521 of the Code of Virginia, Defendant pay a penalty to the Commonwealth in the amount of ten thousand dollars ($10,000.00) and the Commonwealth recover of and from Defendant said amount;

(4) That pursuant to § 13.1-518 of the Code of Virginia. Defendant pay to the Commission the amount of eight thousand one hundred ten dollars ($8,110.00) for the cost of the Division's investigation;

(5) That the sum of eighteen thousand one hundred ten dollars ($18,110.00) tendered by Defendant contemporaneously with the entry of this Order is accepted; and

(6) That the Commission shall retain jurisdiction in this matter for all purposes. including the institution of a show cause proceeding as described above. or taking such other action it deems appropriate. on account of Defendant's failure to comply with the terms and undertakings of the settlement.

CASE NO. SEC980028
JUNE 5, 1998

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
ROYAL ALLIANCE ASSOCIATES, INC.,
Defendant

AMENDING ORDER

IT APPEARING to the Commission that the Order Accepting Offer of Settlement entered herein on May 27. 1998. contains inadvertent clerical errors and should be amended, it is, therefore,

ORDERED that paragraph (2) on pages 2-3, and paragraph (5) on pages 3-4. of the aforesaid order be. and they hereby are. amended by inserting the material underscored and deleting the material stricken through. as shown below:

(2) Defendant represents that it retained an independent expert who has undertaken and completed a comprehensive review of Defendant's supervisory and compliance procedures. In light of this review. ~~defendant~~ Defendant will report to the Commission no later than ninety (90) days from the date of this Order Accepting Offer of Settlement the procedures it has developed and is developing to reasonably ensure compliance with 21 VAC 5-20-260 B. 21 VAC 5-20-260 D, 21 VAC 5-20-280 A 2. 21 VAC 5-20-280 A 3, and 21 VAC 5-20-280 A 6, as promulgated under the Act.

(5) Defendant represents that it will voluntarily make a written offer of restitution to the personal representative of Ann D. Hanes, deceased, in the amount of $556,637.45 plus interest in connection with the activities of

Richard Scott Bennett described herein; ~~that the personal representative has thirty (30) days from the date of receipt of the offer to provide Defendant with written notification interest in connection with the activities of Richard Scott Bennett described herein;~~ that the personal representative has thirty (30) days from the date of receipt of the offer to provide Defendant with written notification of his decision to accept or reject the offer; and, that Defendant, if its offer is accepted, will make restitution within ten (10) days from the date it receives acceptance of the offer.

CASE NO. SEC980029
JUNE 9, 1998

APPLICATION OF
FONKOZE USA, INC.

For an Order of Exemption under § 13.1-514.1 B of the Code of Virginia, as amended

ORDER OF EXEMPTION

THIS MATTER came on for consideration upon written application dated April 3, 1998, with exhibits attached thereto, as subsequently amended, of Fonkoze USA, Inc., requesting that certain Notes be exempted from the securities registration requirements of the Securities Act (§ 13.1-501 et seq. of the Code of Virginia) and that agents of Fonkoze USA, Inc. be exempted from the agent registration requirements of said Act.

BASED UPON THE INFORMATION submitted, the following facts, in addition to others not enumerated herein, appear to exist: Fonkoze USA, Inc. is a New York corporation operating not for private profit but exclusively for charitable and educational purposes; Fonkoze USA, Inc. intends to issue and sell Notes For A Democratic Economy In Haiti (the "Notes") in an approximate aggregate amount of $5,000,000 on terms and conditions as more fully described in the Disclosure Statement filed as a part of the application; the Notes are to be offered and sold by agents of Fonkoze USA, Inc. who will not be compensated for their sales efforts; and, said Notes may also be offered and sold by broker-dealers so registered under the Securities Act.

THE COMMISSION, based on the facts asserted by Fonkoze USA, Inc. in the written application and exhibits, is of the opinion and finds, and does hereby ADJUDGE AND ORDER that, pursuant to the provisions of § 13.1-514.1 B Code of Virginia, the Notes described above be, and they hereby are, exempted from the securities registration requirements of the Securities Act and the agents of Fonkoze USA, Inc. be, and they hereby are, exempted from the agent registration requirements of said Act.

CASE NO. SEC980042
JUNE 11, 1998

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
COLIN WINTHROP & CO., INC.,
Defendant

ORDER ACCEPTING OFFER OF SETTLEMENT

The Commission's Division of Securities and Retail Franchising ("Division") has conducted an investigation of Defendant, Colin Winthrop & Co., Inc., pursuant to § 13.1-518 of the Code of Virginia.

As a result of its investigation, the Division alleges that Defendant, a broker-dealer so registered under the Virginia Securities Act ("Act"), has:

(A) In violation of § 13.1-507 of the Code of Virginia, through its agents, David Stewart Davidson, Arthur Andrew Alonzo III, and Lloyd Sylvester Martin Beirne, offered and sold unregistered securities, to wit: shares of stock issued by Halstead Energy Corporation, to eleven (11) Virginia residents in twenty-eight (28) separate transactions.

Defendant neither admits nor denies the allegations, but admits the Commission's jurisdiction and authority to enter this Order.

As a proposal to settle all matters arising from the allegations made against it, Defendant has proposed and agrees to comply with the following terms and undertakings:

(1) Defendant will refrain from any further conduct which constitutes a violation of the Virginia Securities Act or the Rules promulgated thereunder.

(2) Within twenty-one (21) days of the date of this Order, Defendant will make, or cause to be made, a written offer of rescission to Albertus L. Freed, to include (i) an offer to repay the principal sum of seven thousand five hundred dollars ($7,500.00) plus interest thereon at an annual rate of six percent (6%) from the date of the purchase, less the amount of any income received on the securities, upon the tender of the securities, or for the substantial equivalent in damages if the investor no longer owns the securities; (ii) an explanation of the reason for the rescission offer; (iii) provisions that Albertus L. Freed will have thirty (30) days from the date of the receipt of the offer to provide Defendant with written notification of his decision to accept or reject the offer, and, that Defendant, if its offer is accepted, will make restitution within ten (10) days from the date it receives acceptance of the offer.

(3) Defendant, pursuant to § 13.1-521 of the Code of Virginia, will pay a penalty to the Commonwealth in the amount of twelve thousand four hundred dollars ($12,400.00).

(4) Defendant, pursuant to § 13.1-518 of the Code of Virginia, will pay to the Commission the sum of one thousand eight hundred eighty-six dollars and fifty-eight cents ($1,886.58) as reimbursement for the costs of the Division's investigation.

(5) It is recognized and understood that if Defendant fails to comply with any of the foregoing terms and undertakings, then the Commission reserves the right to take whatever action it deems appropriate, including, but not limited to, instituting a show cause proceeding under the Virginia Securities Act or other applicable statute based on such failure to comply, on the allegations contained herein and/or on such other allegations as are warranted, and Defendant will not contest the exercise of the right reserved.

The Division has recommended that Defendant's offer of settlement be accepted pursuant to the authority granted to the Commission in § 12.1-15 of the Code of Virginia.

NOW, THEREFORE, IT IS ORDERED:

(1) That, pursuant to the authority granted to the Commission in § 12.1-15 of the Code of Virginia, Defendant's offer of settlement is accepted;

(2) That Defendant fully comply with the aforesaid terms and undertakings of the settlement;

(3) That pursuant to § 13.1-521 of the Code of Virginia, Defendant pay a penalty to the Commonwealth in the amount of twelve thousand four hundred dollars ($12,400.00) and the Commonwealth recover of and from Defendant said amount;

(4) That pursuant to § 13.1-518 of the Code of Virginia, Defendant pay to the Commission the amount of one thousand eight hundred eighty-six dollars and fifty-eight cents ($1,886.58) for the cost of the Division's investigation;

(5) That the sum of fourteen thousand two hundred eighty-six dollars and fifty-eight cents ($14,286.58) tendered by Defendant contemporaneously with the entry of this Order is accepted; and

(6) That the Commission shall retain jurisdiction in this matter for all purposes, including the institution of a show cause proceeding as described above, or taking such other action it deems appropriate, on account of Defendant's failure to comply with the terms and undertakings of the settlement.

CASE NO. SEC980043
JUNE 19, 1998

APPLICATION OF
RILEYVILLE BAPTIST CHURCH

For an Order of Exemption under § 13.1-514.1 B of the Code of Virginia, as amended

ORDER OF EXEMPTION

THIS MATTER came on for consideration upon written application dated May 13, 1998, with exhibits attached thereto, as subsequently amended, of Rileyville Baptist Church, requesting that certain bonds be exempted from the securities registration requirements of the Securities Act (§ 13.1-501 et seq. of the Code of Virginia) and that certain members of Rileyville Baptist Church be exempted from the agent registration requirements of said Act.

BASED UPON THE INFORMATION submitted, the following facts, in addition to others not enumerated herein, appear to exist: Rileyville Baptist Church is an unincorporated Virginia organization operating not for private profit but exclusively for religious purposes; Rileyville Baptist Church intends to offer and sell General Deed of Trust Bonds, Series 1998A (the "Bonds") in an approximate aggregate amount of $600,000.00 on terms and conditions as more fully described in the Prospectus filed as a part of the application; and, the Bonds are to be offered and sold by members of Rileyville Baptist Church who will not be compensated for their sales efforts.

THE COMMISSION, based on the facts asserted by Rileyville Baptist Church in the written application and exhibits, is of the opinion and finds, and does hereby ADJUDGE AND ORDER that, pursuant to the provisions of § 13.1-514.1 B of the Code of Virginia, the securities described above be, and they hereby are, exempted from the securities registration requirements of the Securities Act and the members of the Rileyville Baptist Church who offer and sell the Bonds be, and they hereby are, exempted from the agent registration requirements of said Act.

CASE NO. SEC980047
JULY 13, 1998

APPLICATION OF
COLUMBIA UNION REVOLVING FUND

For an Order of Exemption under §13.1-514.1 B of the Code of Virginia, as amended

ORDER OF EXEMPTION

THIS MATTER came on for consideration upon written application dated April 21, 1998, with exhibits attached thereto, as subsequently amended, of Columbia Union Revolving Fund "Columbia" located at 5427 Twin Knolls Road, Columbia, Maryland 21045, requesting that certain debt instruments be exempted from the securities registration requirements of the Securities Act (§ 13.1-501 et seq. Code of Virginia) pursuant to §13.1-514.1 B of the Act.

BASED UPON THE INFORMATION submitted, the following facts, in addition to others not enumerated herein, appear to exist: Columbia is a Delaware nonprofit corporation operating not for private profit but exclusively for religious, educational and benevolent purposes; Columbia intends to offer and sell 90-day demand promissory notes in an approximate aggregate amount of $15,000,000.00 on terms and conditions as more fully described in the Offering Memorandum filed as a part of the application; said securities are to be offered and sold by registered agents of Columbia; and said securities may also be offered and sold by broker-dealers so registered under the Securities Act.

THE COMMISSION, based on the facts asserted by Columbia in the written application and exhibits, is of the opinion and finds, and does hereby ADJUDGE AND ORDER that, pursuant to the provisions of Code §13.1-514.1 B of the Code of Virginia, the securities described above be, and they hereby are, exempted from the securities registration requirements of the Securities Act.

CASE NO. SEC980048
JULY 13, 1998

APPLICATION OF
MISSION INVESTMENT FUND OF THE EVANGELICAL LUTHERAN CHURCH IN AMERICA

For an Order of Exemption under § 13.1-514.1 B of the Code of Virginia, as amended

ORDER OF EXEMPTION

THIS MATTER came on for consideration upon written application dated April 20, 1998, with exhibits attached thereto, as subsequently amended, of Mission Investment Fund of the Evangelical Lutheran Church in America ("Mission") located at 8765 West Higgings Road, Chicago, IL 60631, requesting that certain Mission Investments be exempted from the securities registration requirements of the Securities Act (§ 13.1-501 et seq. of the Code of Virginia) pursuant to § 13.1-514.1 B of the Act and that certain members of Mission be exempted from the agent registration requirements of said Act.

BASED UPON THE INFORMATION submitted, the following facts, in addition to others not enumerated herein, appear to exist: Mission is incorporated in the State of Minnesota as an organization operating not for private profit but exclusively for religious, educational and benevolent purposes; Mission intends to offer and sell Mission Investments comprised of "Mission Term Investments" and "Mission Plus Investments" in an approximate aggregate amount of $90,000,000.00 on terms and conditions as more fully described in the Offering Circular filed as a part of the application; said securities are to be offered and sold by members of Mission who will not be compensated for their sales efforts; and said securities may also be offered and sold by broker-dealers so registered under the Securities Act.

THE COMMISSION, based on the facts asserted by Mission in the written application and exhibits, is of the opinion and finds, and does hereby ADJUDGE AND ORDER that, pursuant to the provisions of Code § 13.1-514.1 B, the securities described above be, and they hereby are, exempted from the securities registration requirements of the Securities Act and the aforesaid members Mission be, and they hereby are, exempted from the agent registration requirements of said Act.

CASE NO. SEC980050
JULY 14, 1998

APPLICATION OF
AON SECURITIES CORPORATION

For an official interpretation pursuant to § 13.1-525 of the Code of Virginia

OFFICIAL INTERPRETATION

THIS MATTER came before the Commission for consideration upon the letter-application, with exhibit, of Aon Securities Corporation ("Applicant") dated March 5, 1998, as supplemented by letter dated May 1, 1998, filed under § 13.1-525 of the Code of Virginia by its counsel and upon payment of the requisite fee. Applicant has requested a determination that the proposed offer and sale of securities described below would be lawful if the requirements of Securities Act Rule 21 VAC 5-40-120 are not met in conjunction with the offering. The pertinent information contained in the application is summarized as follows:

Applicant is a broker-dealer so registered under the Securities Exchange Act of 1934 as well as the Securities Act (§ 13.1-501 et seq. of the Code of Virginia) ("Act"). It intends to offer and sell securities denominated "Catastrophe Equity Put Options" ("Securities"). The offering of the Securities will be conducted pursuant to U.S. Securities and Exchange Commission Regulation D, Rule 506 ("Rule 506"). A security subject to Rule 506 is a "covered security" as described in § 18(b)(4)(D) of the Securities Act of 1933 (15 USC § 77r(b)(4)(D)) and is, therefore, a "federal covered security" as defined in § 13.1-501 of the Act. The Securities will be offered and sold in Virginia solely to the types of entities specified in the exemption provided by § 13.1-514 B 6 of the Act (subsection B 6 provides an exemption from all of the registration requirements of the Act for "[a]ny offer or sale to a corporation, investment company or pension or profit-sharing trust or to a broker-dealer").

Applicant asserts that the issue raised by its application highlights an apparent conflict between the provisions of § 13.1-507 of the Act and the Commission's Securities Act Rule 21 VAC 5-40-120. Section 13.1-507 provides that a security, in order for it to be lawfully offered or sold in this Commonwealth, must (i) be registered under the Act, or (ii) be subject to a registration exemption under the Act, or (iii) be a federal covered security, a relatively new concept added to the Act in response to the National Securities Markets Improvement Act of 1996 ("NSMIA").

Rule 21 VAC 5-40-120 is one of a number of Commission Securities Act Rules designed to coordinate securities regulation in Virginia with the applicable provisions of NSMIA and the amendments to the Act enacted as a result of NSMIA. This Rule applies to Rule 506 offerings conducted in Virginia.

The relevant provisions of Rule 21 VAC 5-40-120 state that an issuer who offers a security covered by Rule 506 must file with the Commission specified documents and pay a fee of $250. The Rule does not speak to the situation described in this application i.e., a security subject to Rule 506 and also subject to one of the Act's registration exemptions. Moreover, the Rule fails to address the possible circumstance that such a security may be registered under the Act notwithstanding that it is a federal covered security and need not be so registered.

A literal reading of Rule 21 VAC 5-40-120 could lead to the conclusion that a security covered by Rule 506 must comply with the filing and fee requirements of the Commission Rule, whether or not that security was also exempted from registration or registered under the Act. Although compliance with Rule 21 VAC 5-40-120 and the conditions of an exemption or registration can be achieved, no significant regulatory purpose compels such a result. Furthermore, the Rule was not intended to limit or supersede the options available under § 13.1-507 of the Act, and it will not be so applied. A person selling a security that is exempted by, or registered under, the Act may, but is not required to, comply with Rule 21 VAC 5-40-120.

THE COMMISSION, upon consideration of this matter and in reliance on the facts and representations asserted by Applicant, is of the opinion and finds that the provisions of Rule 21 VAC 5-40-120 need not be met with respect to the offer and sale in Virginia of the Securities so long as the Securities, or the transactions in which they are offered and sold, are exempted by the Act or the Securities are registered under the Act. It is, therefore,

ORDERED that the offer or sale in this Commonwealth of the securities described above shall be lawful without compliance with Securities Act Rule 21 VAC 5-40-120 if the securities are registered under the Act or the securities or transactions are exempted by the Act.

CASE NO. SEC980051
JULY 14, 1998

APPLICATION OF
CATHOLIC DIOCESE OF RICHMOND

For an Order of Exemption under § 13.1-514.1 B of the Code of Virginia, as amended

ORDER OF EXEMPTION

THIS MATTER came on for consideration upon written application, with exhibits attached thereto, by counsel to Davenport & Company LLC, dated June 24, 1998, requesting that a guaranty to be issued as part of a bond offering by the Industrial Development Authority of Albemarle County, Virginia (the "Authority") be exempted from the securities registration requirements of the Securities Act (§ 13.1-501 et seq. of the Code of Virginia) pursuant to § 13.1-514.1 B.

BASED UPON THE INFORMATION submitted, the following facts, in addition to others not enumerated herein, appear to exist: the Authority is a political subdivision of the Commonwealth of Virginia, created under the Virginia Industrial Development and Revenue Bond Act (§ 15.1-1374 et seq. of the Code of Virginia) (the "Act") to promote and further the purposes of the Act; Catholic Diocese of Richmond (the "Diocese") is a judicatory of the Roman Catholic Church organized and operated not for private profit but exclusively for religious, educational, benevolent and charitable purposes; the Diocese intends to issue as part of the Authority's $3,725,000 Residential Care Facility Mortgage Revenue Bonds (Our Lady of Peace), Series 1998 (the "Bonds"), a security, to wit: a guaranty pursuant to a Guaranty Agreement dated as of July 1, 1998, whereby the Diocese is guaranteeing payment of any and all amounts due and payable on the Bonds until termination of said Guaranty Agreement in accordance with its terms.

THE COMMISSION, based on the representations made in the written application and exhibits is of the opinion and finds, and does hereby ADJUDGE AND ORDER that, pursuant to the provisions of § 13.1-514.1 B of the Code of Virginia, the guaranty described above be, and it hereby is, exempted from the securities registration requirements of the Securities Act and shall be offered or sold in Virginia only by broker-dealers which are so registered under the Securities Act.

CASE NOS. SEC980052 and SEC980053
JULY 20, 1998

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
ALANAR INCORPORATED
and
ZION APOSTOLIC CHRISTIAN MEMORIAL CHURCH,
Defendants

ORDER ACCEPTING OFFER OF SETTLEMENT

The Commission's Division of Securities and Retail Franchising has instituted an investigation of Defendants, Alanar Incorporated and Zion Apostolic Christian Memorial Church ("Zion Apostolic Church"), pursuant to § 13.1-518 of the Code of Virginia.

As a result of its investigation, the Division alleges:

(A) Alanar Incorporated, a corporation, is and at all relevant times was registered under the Virginia Securities Act as a broker-dealer.

(B) Zion Apostolic Church, located in Petersburg, Virginia, issued general mortgage bonds in 1996, subject to an exemption granted by the Commission under § 13.1-514.1 of the Code of Virginia (Case No. SEC960042, June 14, 1996) ("1996 bond offering"). Alanar Incorporated served as broker-dealer for the 1996 bond offering.

(C) Alanar Incorporated, as broker-dealer, and Zion Apostolic Church, as issuer, in violation of § 13.1-516 of the Code of Virginia, submitted misleading filings to the Commission in connection with the 1996 bond offering, to wit: (i) The preliminary prospectus omitted disclosure of defaults by Zion Apostolic Church on bonds it issued in 1984 and 1987, and (ii) the financial statements associated with the preliminary prospectus failed to properly reflect the total accrued interest on outstanding bonds.

(D) Alanar Incorporated, as broker-dealer, and Zion Apostolic Church, as issuer, in violation of § 13.1-502 of the Code of Virginia, conducted unlawful offers and sales of securities in connection with the 1996 bond offering, to wit: (i) The prospectus issued to investors falsely represented Zion Apostolic Church as being current in its sinking fund payments for prior bond offerings, and (ii) the financial statements associated with the prospectus failed to properly reflect the total accrued interest on outstanding bonds.

(E) Alanar Incorporated, in violation of § 13.1-504 B of the Code of Virginia, employed Steven E. Love as an unregistered agent.

(F) To the best of the Division's knowledge, Alanar Incorporated and Zion Apostolic Church at this time have voluntarily suspended sales of the unsold bonds from the 1996 bond offering.

Defendants neither admit nor deny the allegations, but admit the Commission's jurisdiction and authority to enter this order.

As a proposal to settle all matters arising from the allegations made against them, Defendants have offered and agree to comply with the following terms and undertakings:

1. Alanar Incorporated, pursuant to § 13.1-521 of the Code of Virginia, will pay a penalty to the Commonwealth in the amount of five thousand dollars ($5,000), payment of which will be tendered contemporaneously with the entry of this order.

2. Zion Apostolic Church, pursuant to § 13.1-521 of the Code of Virginia, will pay a penalty to the Commonwealth in the amount of five thousand dollars ($5,000), payment of which will be tendered contemporaneously with the entry of this order.

3. Alanar Incorporated, pursuant to § 13.1-518 of the Code of Virginia, will pay to the Commission the sum of one thousand two hundred fifty dollars ($1,250) as reimbursement for the costs of the Division's investigation.

4. Alanar Incorporated, within thirty (30) days of the date of this order, will retain and pay for an independent certified public accounting firm, registered with the Virginia Board for Accountancy, to audit Zion Apostolic Church's financial records and issue complete financial statements for the church's fiscal year ending March 31, 1998, and a Statement of Revenue and Expenses for the church's fiscal years ending March 31, 1996 and March 31, 1997. An Independent Auditor's Report on the financial statements will be provided to the Division for review within one hundred fifty (150) days of the date of this order.

5. Alanar Incorporated and Zion Apostolic Church, within one hundred eighty (180) days of the date of this order, and working in cooperation with the bond trustee, will formulate and submit to the Division a financial plan by which any and all holders of outstanding bonds will be paid full principal and interest in accordance with the terms of their bond agreements.

6. Alanar Incorporated and Zion Apostolic Church, within one hundred eighty (180) days of the date of this order, and working in cooperation with the bond trustee, will submit to the Division for its review and comment a disclosure document intended for distribution to the holders of outstanding bonds, which shall disclose all previous omissions, the church's current financial status, and its plan for the full repayment of all outstanding bonds.

7. Alanar Incorporated and Zion Apostolic Church, no later than thirty (30) days after satisfying any deficiencies raised by the Division in regard to the disclosure document described in paragraph (6) above, will distribute the disclosure document to all holders of outstanding bonds.

8. Every one hundred eighty (180) days after the date of distribution of the aforesaid disclosure document, Alanar Incorporated and Zion Apostolic Church, working in cooperation with the bond trustee, will report in writing to the Division and to all holders of outstanding bonds the progress of the repayment plan; these reports will continue for five (5) years or until all outstanding bonds are paid off with full principal and interest, whichever comes first.

9. It is recognized and understood that if Defendants, or either of them, fail to comply with any of the foregoing terms and undertakings, then the Commission reserves the right to take whatever action it deems appropriate, including, but not limited to, instituting a show cause proceeding under the Virginia Securities Act or other applicable statute based on such failure to comply, on the allegations contained herein and/or on such other allegations as are warranted, and Defendants will not contest the exercise of the right reserved.

The Division has recommended that Defendants' offer of settlement be accepted pursuant to the authority granted to the Commission in § 12.1-15 of the Code of Virginia.

NOW, THEREFORE, IT IS ORDERED:

(1) That, pursuant to the authority granted to the Commission in § 12.1-15 of the Code of Virginia, Defendants' offer of settlement is accepted;

(2) That Defendants fully comply with the aforesaid terms and undertakings of the settlement;

(3) That Defendants refrain from any further conduct which constitutes a violation of the Virginia Securities Act or the Rules promulgated thereunder;

(4) That pursuant to § 13.1-521 of the Code of Virginia, Alanar Incorporated pay a penalty to the Commonwealth in the amount of five thousand dollars ($5,000) and the Commonwealth recover of and from Defendant said amount;

(5) That pursuant to § 13.1-521 of the Code of Virginia, Zion Apostolic Church pay a penalty to the Commonwealth in the amount of five thousand dollars ($5,000) and the Commonwealth recover of and from Defendant said amount;

(6) That pursuant to § 13.1-518 of the Code of Virginia, Alanar Incorporated pay to the Commission the sum of one thousand two hundred fifty dollars ($1,250) for the cost of the Division's investigation;

(7) That the sum of eleven thousand two hundred fifty dollars ($11,250) tendered by Defendants contemporaneously with the entry of this order is accepted;

(8) That Alanar Incorporated, within thirty (30) days of the date of this order, retain and pay for an independent certified public accounting firm, registered with the Virginia Board for Accountancy, to audit Zion Apostolic Church's financial records and issue complete financial statements for the church's fiscal year ending March 31, 1998, and a Statement of Revenue and Expenses for the church's fiscal years ending March 31, 1996 and March 31, 1997, and, within one hundred fifty (150) days of the date of this order, provide to the Division an Independent Auditor's Report report on the financial statements;

(9) That Alanar Incorporated and Zion Apostolic Church, within one hundred eighty (180) days of the date of this order, and working in cooperation with the bond trustee, formulate and submit to the Division a financial plan by which any and all holders of outstanding bonds will be paid full principal and interest in accordance with the terms of their bond agreements;

(10) That Alanar Incorporated and Zion Apostolic Church, within one hundred eighty (180) days of the date of this order, and working in cooperation with the bond trustee, submit to the Division for review and comment a disclosure document intended for distribution to the holders of outstanding bonds, which shall disclose all previous omissions, the church's current financial status, and its plan for the full repayment of all outstanding bonds;

(11) That Alanar Incorporated and Zion Apostolic Church, no later than thirty (30) days after satisfying any deficiencies raised by the Division in regard to the disclosure document described in paragraph (10) above, distribute the disclosure document to all holders of outstanding bonds;

(12) That Alanar Incorporated and Zion Apostolic Church shall be entitled to market and to sell the unsold bonds of the 1996 bond offering, provided that the Division reviewed disclosure document is provided to all parties interested in purchasing the bonds, along with the 1996 bond offering prospectus;

(13) That every one hundred eighty (180) days after the date of distribution of the aforesaid disclosure document, Alanar Incorporated and Zion Apostolic Church, working in cooperation with the bond trustee, report in writing to the Division and to all holders of outstanding bonds the progress of the repayment plan; these reports will continue for five (5) years or until all outstanding bonds are paid off with full principal and interest, whichever comes first;

(14) That it is recognized and understood that if Defendants, or either of them, fail to comply with any of the foregoing terms and undertakings, then the Commission reserves the right to take whatever action it deems appropriate, including, but not limited to, instituting a show cause proceeding under the Virginia Securities Act or other applicable statue based on such failure to comply, on the allegations contained herein and/or on such other allegations as are warranted, and Defendant will not contest the exercise of the right reserved; and

(15) That the Commission shall retain jurisdiction in this matter for all purposes.

CASE NO. SEC980059
AUGUST 27, 1998

APPLICATION OF
HOST MARRIOTT, L.P.

For an official interpretation pursuant to § 13.1-525 of the Code of Virginia

OFFICIAL INTERPRETATION

THIS MATTER came before the Commission for consideration upon the letter-application, with exhibit, of Host Marriott, L.P. ("Applicant") dated July 16, 1998, filed under § 13.1-525 of the Code of Virginia by its counsel and upon payment of the requisite fee. Applicant has requested a determination that the proposed securities transactions described below are exempted from the securities, broker-dealer and agent registration requirements of the Securities Act pursuant to § 13.1-514 B 15 of the Code of Virginia. The pertinent information contained in the application is summarized as follows:

Applicant, a newly formed Delaware limited partnership, proposes to issue and offer up to 14,421,500 units of limited partnership interest ("Units") and unsecured, seven-year notes ("Notes") with a maximum aggregate offering price of $236,300,000. These instruments will be exchanged for outstanding units of limited partnership interest in up to eight limited partnerships ("Partnerships") in which Host Marriott Corporation or its subsidiaries act as general partner. The exchange will occur in conjunction with the mergers of subsidiaries of Applicant with the Partnerships. The limited partners of any of the Partnerships can elect to exchange the Units they receive pursuant to a merger for Notes. The limited partners of the Partnerships will have the benefit of the governance and disclosure requirements of the merger provisions of the Delaware Revised Uniform Limited Partnership Act as well as the Rhode Island Uniform Limited Partnership Act. They also will be afforded the protections provided security holders by the rules and guidelines imposed by the National Association of Securities Dealers, Inc. and the New York Stock Exchange in regard to limited partnership "roll-up" transactions. In addition, the proposed mergers will be conducted in accordance with the applicable requirements of the Securities Act of 1933, the Securities Exchange Act of 1934, and the rules and regulations of the U.S. Securities and Exchange Commission.

Section 13.1-514 B 15 of the Code of Virginia provides an exemption from the securities, broker-dealer and agent registration requirements of the Securities Act for a number of specified transactions, including "[a]ny transaction incident to . . . a statutory . . . merger . . . ."

THE COMMISSION, upon consideration of this matter and in reliance upon, and limited strictly to, the facts and representations asserted by Applicant, is of the opinion and finds that the planned mergers are within the purview of § 13.1-514 B 15. It is, therefore,

ORDERED that the proposed transactions described above be, and they hereby are, exempted from the securities, broker-dealer and agent registration requirements of the Securities Act pursuant to § 13.1-514 B 15 of the Code of Virginia.

CASE NO. SEC980060
AUGUST 31, 1998

APPLICATION OF
BOARD OF CHURCH EXTENSION AND HOME MISSIONS OF THE CHURCH OF GOD, INC.

For an Order of Exemption under § 13.1-514.1 B of the Code of Virginia, as amended

ORDER OF EXEMPTION

THIS MATTER came on for consideration upon written application dated May 26, 1998, with exhibits attached thereto, of Board of Church Extension and Home Missions of the Church of God, Inc. ("Board of Church Extension and Home Missions"), requesting that certain securities be exempted from the securities registration requirements of the Securities Act (§ 13.1-501 et seq. of the Code of Virginia) pursuant to § 13.1-514.1 B of the Securities Act.

BASED UPON THE INFORMATION submitted, the following facts, in addition to others not enumerated herein, appear to exist: Board of Church Extension and Home Missions is an Indiana nonprofit corporation organized and operated exclusively for religious, educational and benevolent purposes; Board of Church Extension and Home Missions intends to offer and sell Investment Notes and Conditional Gifts (collectively, the "Notes") in an approximate aggregate amount of $545,000 on terms and conditions as more fully described in the Offering Circular filed as a part of the application; and, the Notes will be offered and sold by agents of Board of Church Extension and Home Missions who are registered under the Securities Act.

THE COMMISSION, based on the facts asserted by Board of Church Extension and Home Missions in the written application and exhibits, is of the opinion and finds, and does hereby ADJUDGE AND ORDER that, pursuant to the provisions of § 13.1-514.1 B of the Code of Virginia, the securities described above be, and they hereby are, exempted from the securities registration requirements of the Securities Act.

CASE NO. SEC980068
SEPTEMBER 18, 1998

APPLICATION OF
NATIONAL COVENANT PROPERTIES

For an Order of Exemption under § 13.1-514.1 B of the Code of Virginia, as amended

ORDER OF EXEMPTION

THIS MATTER came on for consideration upon written application dated March 3, 1998, with exhibits attached thereto, as subsequently amended, of National Covenant Properties ("NCP") located at 5101 North Francisco Avenue, Chicago, Illinois 60625-3699, requesting that certain debt securities be exempted from the securities registration requirements of the Securities Act (§ 13.1-501 et seq. of the Code of Virginia) and that certain officers of NCP be exempted from the agent registration requirements of said Act.

BASED UPON THE INFORMATION submitted, the following facts, in addition to others not enumerated herein, appear to exist: NCP is a non-profit corporation organized under the laws of the State of Illinois exclusively for religious purposes; NCP intends to offer and sell up to $18,000,000 in aggregate principal amount of 5-Year Fixed Rate Renewable Certificates (Series A), 30-Day Certificates (Series G), and Individual Retirement Account Certificates (together, the "Certificates") on terms and conditions as more fully described in the Offering Circular filed as a part of the application; the Certificates will be offered and sold by officers of NCP who will not be compensated for their sales efforts; and said securities may also be offered and sold by broker-dealers so registered under the Securities Act.

THE COMMISSION, based on the facts asserted by NCP in the written application and exhibits, is of the opinion and finds, and does hereby ADJUDGE AND ORDER that, pursuant to § 13.1-514.1 B of the Code of Virginia, the securities described above be, and they hereby are, exempted from the securities registration requirements of the Securities Act and the officers of NCP who offer and sell the Certificates be, and they hereby are, exempted from the agent registration requirements of said Act.

CASE NO. SEC980069
NOVEMBER 12, 1998

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
BRIGHT COVE SECURITIES, INC.,
Defendant

ORDER ACCEPTING OFFER OF SETTLEMENT

The Commission's Division of Securities and Retail Franchising has instituted an investigation of Defendant, Bright Cove Securities, Inc., pursuant to § 13.1-518 of the Code of Virginia.

As a result of the investigation, the Division alleges that Defendant, in violation of § 13.1-507 of the Code of Virginia, offered and sold nonexempt, unregistered securities in the form of limited partnership interests in seven limited partnerships, to wit: Advantage Real Estate Maturity Fund Limited Partnership, Advantage Real Estate Maturity Fund Limited Partnership 2, 21st Century Technologies Funding Limited Partnership, Internet Opportunities Limited Partnership, Technologies Acquisition Limited Partnership, Alpha Technologies Limited Partnership, and Armageddon Oil & Gas Income Limited Partnership 2.

Defendant neither admits nor denies these allegations, but admits the Commission's jurisdiction and authority to enter this Order Accepting Offer of Settlement.

As a proposal to settle all matters arising from the allegations made against it, Defendant has offered, and agreed to comply with, the following terms and undertakings:

(1) Defendant will refrain from any further conduct which constitutes a violation of the Virginia Securities Act or the Rules promulgated thereunder;

(2) Defendant will offer for sale and sell in the Commonwealth, whether directly or indirectly, only securities that are properly registered under the Virginia Securities Act or exempted therefrom;

(3) Within thirty (30) days of the date of this order, Defendant will make a written offer to the purchasers to rescind the sales of the above-mentioned limited partnerships;

(4) The written offer to rescind the sales will include a copy of this Order Accepting Offer of Settlement and will provide for the refund of the consideration paid by each purchaser for the securities, together with the interest thereon at the annual rate of six percent, less the amount of any income received on the securities, upon the tender of those securities, or for the substantial equivalent in damages if the purchaser no longer owns the securities; each purchaser will have thirty (30) days from the date of receipt of the offer within which to either accept or reject the offer; and, Defendant, if the offer is accepted, will make restitution within (30) days from the receipt of the acceptance;

(5) Defendant will file with the Commission an affidavit that will include copies of the letters sent to each group of purchasers, a list of all purchasers who were sent the offers of rescission, the date of the mailing of the rescission offer, each purchaser's response to the offer, and the amount of restitution made to each purchaser, if applicable, by no later than ninety (90) days after the date of this order;

(6) Defendant, pursuant to § 13.1-521 of the Code of Virginia, will pay to the Commonwealth a penalty in the amount of five thousand dollars ($5.000) and, pursuant to § 13.1-518 of the Code of Virginia, will pay to the Commission the sum of one thousand eight hundred dollars ($1,800) to defray the costs of the investigation; and

(7) It is recognized and understood that if Defendant fails to comply with any of the foregoing terms and undertakings, then the Commission reserves the right to take whatever action it deems appropriate, including , but not limited to, instituting a show cause proceeding under the Virginia Securities Act or other applicable statutes based on such failure to comply, on the allegations contained herein and/or on such other allegations as are warranted and Defendant will not contest the exercise of the right reserved.

The Division has recommended that Defendant's offer of settlement be accepted pursuant to the authority granted to the Commission in § 12.1-15 of the Code of Virginia.

NOW, THEREFORE, IT IS ORDERED:

(1) That, pursuant to the authority granted to the Commission in § 12.1-15 of the Code of Virginia, Defendant's offer of settlement is accepted;

(2) That Defendant fully comply with the aforesaid terms and undertakings of the settlement;

(3) That Defendant, pursuant to § 13.1-521 of the Code of Virginia, pay to the Commonwealth a penalty in the amount of five thousand dollars ($5.000.) and , pursuant to § 13.1-518 of the Code of Virginia, pay to the Commission the sum of one thousand eight hundred dollars ($1,800) and, that the Commonwealth of Virginia and the Commission recover of and from Defendant said amounts;

(4) That the total sum of six thousand eight hundred dollars ($6,800) tendered by Defendant contemporaneously with the entry of this Order Accepting Offer of Settlement is accepted; and

(5) That the Commission shall retain jurisdiction in this matter for the purposes, including the institution of a show cause proceeding, or such other action it deems appropriate, on account of Defendant's failure to comply with the terms and undertakings of the settlement.

CASE NO. SEC980070
OCTOBER 16, 1998

APPLICATION OF
FRIENDS MEETING HOUSE FUND, INC.

For an Order of Exemption under § 13.1-514.1 B of the Code of Virginia, as amended

ORDER OF EXEMPTION

THIS MATTER came on for consideration upon written application dated June 17, 1998, with exhibits attached thereto, as subsequently amended, of Friends Meeting House Fund, Inc. ("Friends") located at 1216 Arch Street, 2B, Philadelphia, PA 19107, requesting that certain securities be exempted from the securities registration requirements of the Securities Act (§ 13.1-501 et seq. of the Code of Virginia) pursuant to § 13.1-514.1 B of the Act and that certain members of Friends be exempted from the agent registration requirements of said Act.

BASED UPON THE INFORMATION submitted, the following facts, in addition to others not enumerated herein, appear to exist: Friends is a Pennsylvania organization operating not for private profit but exclusively for religious, educational and benevolent purposes; Friends intends to offer and sell Mortgage Pool Notes in an approximate aggregate amount of $10,500.00 on terms and conditions as more fully described in the Offering Memorandum filed as a part of the application; said securities are to be offered and sold by officers of Friends who will not be compensated for their sales efforts; and said securities may also be offered and sold by broker-dealers so registered under the Securities Act.

THE COMMISSION, based on the facts asserted by Friends in the written application and exhibits, is of the opinion and finds, and does hereby ADJUDGE AND ORDER that, pursuant to § 13.1-514.1 B of the Code of Virginia, the securities described above be, and they hereby are, exempted from the securities registration requirements of the Securities Act and the officers of Friends be, and they hereby are, exempted from the agent registration requirements of said Act.

CASE NO. SEC980071
OCTOBER 27, 1998

APPLICATION OF
LUTHERAN CHURCH EXTENSION FUND-MISSOURI SYNOD

For an Order of Exemption under § 13.1-514.1 B of the Code of Virginia, as amended

ORDER OF EXEMPTION

THIS MATTER came on for consideration upon written application dated September 18, 1998, with exhibits attached thereto, as subsequently amended, of Lutheran Church Extension Fund-Missouri Synod ("LCEF"), requesting that certain Dedicated Savings Certificates, StewardAccount Certificates, Fixed Rate Term Notes, Floating Rate Term Notes, Growth Certificates, Congregation Demand Certificates, Congregation StewardAccount Certificates, and Custodial Term Notes be exempted from the securities registration requirements of the Securities Act (§ 13.1-501 et seq. of the Code of Virginia) pursuant to § 13.1-514.1 B of the Act and that officers of LCEF be exempted from the agent registration requirements of said Act.

BASED UPON THE INFORMATION submitted, the following facts, in addition to others not enumerated herein, appear to exist: LCEF is a Missouri Corporation organized and operated not for private profit but exclusively for religious, educational and benevolent purposes; LCEF intends to offer and sell the securities in an approximate aggregate amount of $265,000,000 on terms and conditions as more fully described in the Offering Circular filed as a part of the application; said securities are to be offered and sold by officers of LCEF who will not be compensated for their sales efforts; and said securities may also be offered and sold by broker-dealers so registered under the Securities Act.

THE COMMISSION, based on the facts asserted by LCEF in the written application and exhibits, is of the opinion and finds, and does hereby ADJUDGE AND ORDER that, pursuant to § 13.1-514.1 B of the Code of Virginia, the securities described above be, and they hereby are, exempted from the securities registration requirements of the Securities Act and officers of LCEF be, and they hereby are, exempted from the agent registration requirements of said Act.

CASE NOS. SEC980073, SEC980074, SEC980075, SEC980076, and SEC980077
NOVEMBER 24, 1998

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
B L B FINANCIAL, INC.,
BRIAN NOEL JOHANSON,
CECIL E. SMITH, JR.,
BRENT FOUCH,
and
JARON NUNEZ,
Defendants

ORDER ACCEPTING OFFER OF SETTLEMENT

The Commission's Division of Securities and Retail Franchising has instituted an investigation of the Defendants, B L B Financial, Inc. ("Company"), Brian Noel Johanson, Cecil E. Smith, Jr., Brent Fouch, and Jaron Nunez, pursuant to § 13.1-518 of the Code of Virginia.

As a result of its investigation, the Division alleges that (i) Company, Jaron Nunez, Brent Fouch, and Brian Noel Johanson offered for sale and sold securities in the form of shares of common stock of Triton Cartridge Corporation and Micro-ASI, Inc. without disclosing the fact that the shares were being sold by an affiliate of Company instead of the issuers, in violation of § 13.1-502(2) of the Code of Virginia; (ii) Cecil E. Smith, Jr. offered for sale and sold securities in the form of shares of common stock of Micro-ASI, Inc. without disclosing the fact that the shares were being sold by an affiliate of Company instead of the issuers, in violation of § 13.1-502(2) of the Code of Virginia; (iii) Company, Jaron Nunez, and Brent Fouch, in the offer and sale of the aforesaid securities, omitted to state a material fact by failing to disclose the high degree of risk of the investments to certain Virginia residents, in violation of § 13.1-502 (2) of the Code of Virginia; (iv) Company and Brian Noel Johanson, in the offer and sale of the shares of Micro-ASI, Inc., provided disclosure material containing misleading information, in violation of § 13.1-502 (2) of the Code of Virginia; (v) Company, Jaron Nunez, Brent Fouch, and Brian Noel Johanson, in the offer and sale of the shares of Triton Cartridge Corporation, provided information and/or disclosure material containing misleading information, in violation of § 13.1-502 (2) of the Code of Virginia; (vi) Company and Brian Noel Johanson, in the offer and sale of the shares of Micro-ASI, Inc., omitted to state a material fact by failing to provide information that the State of California had issued a Cease & Desist Order under its securities laws naming Micro-ASI, Inc., Company, and Cecil E. Smith, Jr., in violation of § 13.1-502 (2) of the Code of Virginia; (vii) Jaron Nunez participated in the sale of shares of common stock of Micro-ASI, Inc. to a Virginia resident in which misleading statements with respect to the risk of the investment were used, in violation of § 13.1-502 (2) of the Code of Virginia; (viii) Company transacted business in this Commonwealth as an unregistered broker-dealer, in violation of § 13.1-504 A of the Code of Virginia; (ix) Cecil E. Smith, Jr., Jaron Nunez, and Brent Fouch transacted business in this Commonwealth as unregistered agents for Company, in violation of § 13.1-504 A of the Code of Virginia; (x) Company employed unregistered agents, in violation of § 13.1-504 B of the Code of Virginia; (xi) Company, Jaron Nunez, and Brent Fouch offered and sold unregistered securities in the form of shares of common stock of Micro-ASI, Inc. and Triton Cartridge Corporation, in violation of § 13.1-507 of the Code of Virginia; and (xii) Cecil E. Smith, Jr. offered and sold unregistered securities in the form of shares of common stock of Micro-ASI, Inc., in violation of § 13.1-507 of the Code of Virginia.

The Defendants neither admit nor deny the allegations, but admit the Commission's jurisdiction and authority to enter this Order Accepting Offer of Settlement.

As a proposal to settle all matters arising from the allegations made against them, the Defendants have offered, and agreed to comply with, the following terms and undertakings:

(1) Within twenty-one (21) days of the date of this Order Accepting Offer of Settlement, Company will make, or cause to be made, a written offer to rescind the sales which resulted in the purchase of shares of stock of Micro-ASI, Inc. and Triton Cartridge Corporation by Virginia residents; such offer will provide for the refund of the full amount of consideration paid by each Virginia client, together with interest thereon at an annual rate of six percent, less the amount of any refund these clients may have already received, and will further provide that these clients will have thirty (30) days from the date of receipt of the offer within which to either accept or reject the offer and, further, if the offer is accepted, Company will make restitution within seven (7) days from the date the clients' acceptance of the offer is received;

(2) Evidence of compliance with the provisions of paragraph (1), above, will be filed with the Division by Company within seven (7) days from the date payment is remitted to the clients or from the date the offer is rejected or lapses, whichever occurs last; that such evidence will be in the form of an affidavit, executed by the president of Company and which will contain the following information: (i) the date on which each client received the offer of rescission; (ii) the date and nature of each client's response to the offer; (iii) if applicable, the date on which payment was remitted to each client; and (iv) if applicable, the amount of payment remitted to each client;

(3) Company will be permanently enjoined from violating § 13.1-502 of the Code of Virginia;

(4) Company will not, directly or indirectly, transact business in this Commonwealth as a broker-dealer unless so registered under the Virginia Securities Act or exempted therefrom;

(5) Company will employ only agents who are so registered under the Virginia Securities Act or exempted therefrom to transact business in this Commonwealth;

(6) Company will offer for sale and sell in Virginia only securities which have been registered under the Virginia Securities Act or exempted therefrom;

(7) Brian Noel Johanson will be permanently enjoined from violating § 13.1-502 of the Code of Virginia;

(8) Brent Fouch will be permanently enjoined from violating § 13.1-502 of the Code of Virginia;

(9) Brent Fouch will not, directly or indirectly, transact business in this Commonwealth as an agent of a broker-dealer unless so registered under the Virginia Securities Act or exempted therefrom;

(10) Brent Fouch will offer for sale and sell in Virginia only securities which have been registered under the Virginia Securities Act or exempted therefrom;

(11) Jaron Nunez will be permanently enjoined from violating § 13.1-502 of the Code of Virginia;

(12) Jaron Nunez will not, directly or indirectly, transact business in this Commonwealth as an agent of a broker-dealer unless so registered under the Virginia Securities Act or exempted therefrom;

(13) Jaron Nunez will offer for sale and sell in Virginia only securities which have been registered under the Virginia Securities Act or exempted therefrom;

(14) Cecil E. Smith, Jr. will be permanently enjoined from violating § 13.1-502 of the Code of Virginia;

(15) Cecil E. Smith, Jr. will not, directly or indirectly, transact business in this Commonwealth as an agent of a broker-dealer unless so registered under the Virginia Securities Act or exempted therefrom;

(16) Cecil E. Smith, Jr. will offer for sale and sell in Virginia only securities which have been registered under the Virginia Securities Act or exempted therefrom;

(17) Pursuant to § 13.1-521 of the Code of Virginia, Company will pay to the Commonwealth a penalty of two hundred twenty four thousand dollars ($224,000), Brian Noel Johanson will pay to the Commonwealth a penalty of seventy nine thousand dollars ($79,000), Brent Fouch will pay to the Commonwealth a penalty of twelve thousand five hundred dollars ($12,500), Jaron Nunez will pay to the Commonwealth a penalty of seventeen thousand dollars ($17,000), and Cecil E. Smith, Jr. will pay to the Commonwealth a penalty of eleven thousand five hundred dollars ($11,500); provided that these penalties will be suspended and remitted upon the condition that B L B Financial, Inc. fully comply with the provisions of paragraph (1), above. Should Company fail to make rescission offers to all Virginia investors or to make all required repayments, then the full amount of penalties for all of the Defendants shall become immediately due and payable;

(18) Pursuant to § 13.1-518 A of the Code of Virginia, Company shall pay to the Commission four thousand six hundred sixty nine dollars ($4,669) to defray the cost of the investigation; and

(19) It is recognized and understood that if Company fails to comply with any of the foregoing terms and undertakings related to rescission and restitution, then the Commission reserves the right to take whatever action it deems appropriate, including, but not limited to, instituting a show cause proceeding under the Virginia Securities Act or other applicable statutes based on such failure to comply, on the allegations contained herein and/or on such other allegations as are warranted and Company will not contest the exercise of the right reserved.

The Division has recommended that the Defendants' offer of settlement be accepted pursuant to the authority granted to the Commission in § 12.1-15 of the Code of Virginia.

NOW, THEREFORE, IT IS ORDERED:

(1) That, pursuant to the authority granted to the Commission in § 12.1-15 of the Code of Virginia, the Defendants' offer of settlement is accepted;

(2) That the Defendants fully comply with the aforesaid terms and undertakings of the settlement;

(3) That, pursuant to § 13.1-518 A of the Code of Virginia, Company shall pay to the Commission four thousand six hundred sixty nine dollars ($4.669) to defray the cost of the investigation; and, pursuant to § 13.1-521 of the Code of Virginia, Company shall pay to the Commonwealth a penalty of two hundred twenty four thousand dollars ($224,000), Brian Noel Johanson shall pay to the Commonwealth a penalty of seventy nine thousand dollars ($79.000). Brent Fouch shall pay to the Commonwealth a penalty of twelve thousand five hundred dollars ($12.500). Jaron Nunez shall pay to the Commonwealth a penalty of seventeen thousand dollars ($17,000), and Cecil E. Smith, Jr. shall pay to the Commonwealth a penalty of eleven thousand five hundred dollars ($11,500); provided that these penalties shall be suspended and remitted upon the condition that B L B Financial, Inc. fully comply with its undertakings related to rescission and restitution; and further provided that should Company fail to make rescission offers to all Virginia investors or to make all required repayments, then the full amount of penalties for all of the Defendants shall become immediately due and payable; and

(4) That the commission shall retain jurisdiction in this matter for all purposes, including the institution of a show cause proceeding as described above, or taking such other action it deems appropriate, on account of the Defendants' failure to comply with the terms and undertakings of the settlement.

CASE NO. SEC980078
NOVEMBER 24, 1998

APPLICATION OF
MONTANA HIGHER EDUCATION STUDENT ASSISTANCE CORPORATION

For an Order of Exemption under § 13.1-514.1 B of the Code of Virginia, as amended

ORDER OF EXEMPTION

THIS MATTER came on for consideration upon written application dated October 22, 1998, with exhibits attached thereto, as subsequently amended, of Montana Higher Education Student Assistance Corporation ("M-CORP"), requesting that certain securities be exempted from the securities registration requirements of the Securities Act (§ 13.1-501 et seq. of the Code of Virginia) pursuant to § 13.1-514.1 B.

BASED UPON THE INFORMATION submitted, the following facts, in addition to others not enumerated herein, appear to exist: M-CORP is a non-profit corporation organized under the laws of Montana operating not for private profit but exclusively for educational and charitable purposes; M-CORP intends to issue Student Loan Revenue Bonds, Senior Series 1998-A and Subordinate Series 1998-B in an approximate aggregate amount of $107,770,000 on terms and conditions as more fully described in the Prospectus filed as a part of the application; and said securities are to be offered and sold by broker-dealers so registered under the Securities Act.

THE COMMISSION, based on the facts asserted by M-CORP in the written application and exhibits, is of the opinion and finds, and does hereby ADJUDGE AND ORDER that, pursuant to § 13.1-514.1 B of the Code of Virginia, the securities described above be, and they hereby are, exempted from the securities registration requirements of the Securities Act.

CASE NO. SEC980079
DECEMBER 9, 1998

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
ELLSWORTH ALLEN BUCK, JR.,
Defendant

ORDER OF SETTLEMENT

The Commission's Division of Securities and Retail Franchising has instituted an investigation of Defendant, Ellsworth Allen Buck, Jr., pursuant to § 13.1-518 of the Code of Virginia.

As a result of the investigation, the Division alleges that Defendant, while employed as a registered agent working in the H. J. Meyers & Co., Inc. Virginia Beach branch office between February 1995 and February 1996:

(1) Directly or indirectly, offered and sold unregistered securities, in violation of § 13.1-507 of the Code of Virginia.

(2) Directly of indirectly, effected a securities transaction not recorded on the books and records of the broker-dealer, H.J. Meyers & Co., Inc., in violation of the Commission's Securities Act Rule 21 VAC 5-20-280 B 2.

As a proposal to settle all matters arising from the allegations made against him, Defendant has offered, and agreed to comply with, the following terms and undertakings:

(1) Defendant, permanently, will not (i) seek to become registered under the Virginia Securities Act as an agent of a broker-dealer, (ii) engage in the offer or sale of any security to a resident of the Commonwealth of Virginia, or (iii) be associated in any supervisory capacity with any broker-dealer registered under the Virginia Securities Act.

(2) Defendant will refrain from any further conduct which constitutes a violation of the Securities Act or the Rules promulgated thereunder.

The Division has recommended that Defendant's offer of settlement be accepted pursuant to the authority granted to the Commission in § 12.1-15 of the Code of Virginia.

NOW, THEREFORE, IT IS ORDERED:

(1) That, pursuant to the authority granted to the Commission in § 12.1-15 of the Code of Virginia, Defendant's offer of settlement is accepted;

(2) That Defendant fully comply with the aforesaid terms and undertakings of the settlement; and

(3) That this case is dismissed from the Commission's docket and the papers herein be placed in the file for ended causes.

CASE NO. SEC980080
DECEMBER 3, 1998

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
THE HIGHLAND FUNDING GROUP, INC.,
Defendant

ORDER ACCEPTING OFFER OF SETTLEMENT

The Commission's Division of Securities and Retail Franchising has instituted an investigation of the Defendant, The Highland Funding Group, Inc. ("Company"), pursuant to § 13.1-518 of the Code of Virginia.

As a result of its investigation, the Division alleges that (i) Company offered for sale and sold securities in the form of shares of common stock of Micro-ASI, Inc. and Triton Cartridge Corporation without disclosing the fact that the shares were being sold by the Company instead of the issuers, in violation of § 13.1-502(2) of the Code of Virginia; (ii) Company, in the offer and sale of the aforesaid securities, omitted to state a material fact by failing to disclose the high degree of risk of the investments to certain Virginia residents, in violation of § 13.1-502 (2) of the Code of Virginia; (iii) Company, in the offer and sale of the shares of Micro-ASI, Inc., omitted to state a material fact by failing to provide information that the State of California had issued a Cease & Desist Order under its securities laws naming Micro-ASI, Inc., Inc., B L B Financial, Inc., and Cecil E. Smith, Jr., in violation of § 13.1-502 (2) of the Code of Virginia; and (iv) Company offered and sold unregistered securities in the form of shares of common stock of Micro-ASI, Inc. and Triton Cartridge Corporation, in violation of § 13.1-507 of the Code of Virginia. The Defendant neither admits nor denies the allegations, but admits the Commission's jurisdiction and authority to enter this Order Accepting Offer of Settlement.

As a proposal to settle all matters arising from the allegations made against it, the Defendant has offered, and agreed to comply with, the following terms and undertakings:

(1) Within twenty-one (21) days of the date of this Order Accepting Offer of Settlement, B L B Financial, Inc., an affiliate of Company, will make, or cause to be made, a written offer to rescind the sales which resulted in the purchase of shares of stock of Micro-ASI, Inc., Inc. and Triton Cartridge Corporation by Virginia residents; such offer will provide for the refund of the full amount of consideration paid by each Virginia client, together with interest thereon at an annual rate of six percent, less the amount of any refund these clients may have already received, and will further provide that these clients will have thirty (30) days from the date of receipt of the offer within which to either accept or reject the offer and, further, if the offer is accepted, B L B Financial, Inc. will make restitution within seven (7) days from the date the clients' acceptance of the offer is received;

(2) Evidence of compliance with the provisions of paragraph (1), above, will be filed with the Division by B L B Financial, Inc. within seven (7) days from the date payment is remitted to the clients or from the date the offer is rejected or lapses, whichever occurs last; that such evidence will be in the form of an affidavit, executed by the president of B L B Financial, Inc. and which will contain the following information: (i) the date on which each client received the offer of rescission; (ii) the date and nature of each client's response to the offer; (iii) if applicable, the date on which payment was remitted to each client; and (iv) if applicable, the amount of payment remitted to each client;

(3) Company will be permanently enjoined from violating § 13.1-502 of the Code of Virginia;

(4) Company will offer for sale and sell in Virginia only securities which have been registered under the Virginia Securities Act or exempted therefrom;

(5) Pursuant to § 13.1-521 of the Code of Virginia, Company will pay to the Commonwealth a penalty of eighty three thousand five hundred dollars ($83,500); provided that this penalty will be suspended and remitted upon the condition that Company's affiliate, B L B Financial, Inc., fully comply with the provisions of paragraph (1) above. Should B L B Financial, Inc. fail to make rescission offers to all Virginia investors or to make all required repayments, then the full amount of the penalty for the Defendant shall become immediately due and payable;

(6) Pursuant to § 13.1-518 A of the Code of Virginia, Company shall pay to the Commission four thousand six hundred sixty nine dollars ($4,669) to defray the cost of the investigation; and

(7) It is recognized and understood that if the Defendant fails to comply with any of the foregoing terms and undertakings, then the Commission reserves the right to take whatever action it deems appropriate, including, but not limited to, instituting a show cause proceeding under the Virginia Securities Act or other applicable statutes based on such failure to comply, on the allegations contained herein and/or on such other allegations as are warranted and the Defendant will not contest the exercise of the right reserved.

The Division has recommended that the Defendant's offer of settlement be accepted pursuant to the authority granted to the Commission in § 12.1-15 of the Code of Virginia.

NOW, THEREFORE, IT IS ORDERED:

(1) That, pursuant to the authority granted to the Commission in § 12.1-15 of the Code of Virginia, the Defendant's offer of settlement is accepted;

(2) That the Defendant fully comply with the aforesaid terms and undertakings of the settlement;

(3) That, pursuant to § 13.1-518 A of the Code of Virginia, Company shall pay to the Commission four thousand six hundred sixty nine dollars ($4.669) to defray the cost of the investigation; and, pursuant to § 13.1-521 of the Code of Virginia, Company will pay to the Commonwealth a penalty of eighty three thousand five hundred dollars ($83,500); provided that this penalty shall be suspended and remitted upon the condition that B L B Financial, Inc. fully comply with its undertakings related to rescission and restitution; and further provided that should B L B Financial, Inc. fail to make rescission offers to all Virginia investors or to make all required repayments, then the full amount of penalty for the Defendant shall become immediately due and payable; and

(4) That the Commission shall retain jurisdiction in this matter for all purposes, including the institution of a show cause proceeding as described above, or taking such other action it deems appropriate, on account of the Defendant's failure to comply with the terms and undertakings of the settlement.

CASE NO. SEC980083
DECEMBER 22, 1998

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
D. H. BLAIR & CO., INC.,
Defendant

SETTLEMENT ORDER

I. FINDINGS OF FACT

1. The State Corporation Commission (the "Commission") has jurisdiction over this matter pursuant to the Securities Act § 13.1-501 et. seq. of the *Code of Virginia* (the "Virginia Securities Act").

2. D.H. Blair & Co., Inc. (CRD No. 06833) ("D.H. Blair") is a broker-dealer so registered under the Virginia Securities Act.

3. D.H. Blair has cooperated with the state securities officials conducting a multi-state coordinated review (hereinafter the "Multi-state Committee") by, among other things, providing documentary evidence and other materials requested by the Multi-state Committee, and providing the Multi-state Committee access to the relevant facts relating to D.H. Blair.

4. D.H. Blair has agreed with the Multi-state Committee to resolve various concerns of the states through the entry of this Settlement Order.

5. The Commission has inquired into this matter and considered the relevant information provided by D.H. Blair to the Multi-state Committee.

6. D.H. Blair has, without admitting or denying the matters set forth therein, submitted a Letter of Acceptance, Waiver and Consent No. C10970167, dated August 13, 1997 (hereinafter "AWC"), to the National Association of Securities Dealers Regulation, Inc. (hereinafter "NASDR").

7. The AWC resulted in a censure and fine in the amount of two million dollars ($2,000,000.00) along with restitution to retail customers in the amount of two million three hundred ninety-four thousand eight hundred fifty-seven dollars and twelve cents ($2,394,857.12) and certain other remedial measures and individual sanctions.

8. D.H. Blair entered into a Consent Order, Exchange Hearing Panel Decision No. 97-9, dated February 12, 1997, with the New York Stock Exchange, Inc. (hereinafter the "NYSE Consent Order").

9. The NYSE Consent Order was executed on December 23, 1996, without prior trial, presentation of any evidence and without D.H. Blair admitting or denying the matters set forth therein. The NYSE Consent Order provided that D.H. Blair agree to a censure, a two hundred fifty thousand dollar ($250,000.00) fine and an undertaking that it hire an independent consultant to review and prepare a report concerning D.H. Blair's systems and procedures to ensure compliance with the securities laws and exchange rules and that D.H. Blair adopt the recommendations of the report. This report was rendered on June 20, 1997 and D.H. Blair promptly incorporated the recommendations.

10. On April 17, 1998, D.H. Blair sold its assets, including transfer of certain brokers and client accounts, to Barington Capital Group L. P., a New York based broker-dealer. D.H. Blair has ceased broker-dealer activities and is in the process of winding up of its business.

11. On October 5, 1998 D.H. Blair entered into an agreement with the representatives of the Multi-state Committee, wherein D.H. Blair agreed to voluntarily segregate a claims fund in the amount of two million two hundred fifty thousand dollars ($2,250,000.00) to be deposited in escrow to resolve claims of certain investors pursuant to an NASDR mediation/arbitration process. A copy of this agreement is attached hereto and incorporated herein by reference as Exhibit A.

II. CONCLUSIONS OF LAW

1. The Commission has jurisdiction over this matter pursuant to the Virginia Securities Act.

2. D.H. Blair, without admitting or denying the matters set forth therein, consented to the entry of findings by the NASDR in the AWC that it improperly priced certain securities, and failed to make adequate disclosure in order to make statements to certain aftermarket purchasers of certain securities not misleading, among other things.

3. The foregoing constitutes a violation of § 13.1-502 of the Virginia Securities Act as to paragraph II.2. above.

III. ORDER

THEREFORE, on the basis of the foregoing, and D.H. Blair's waiver of its right to a hearing and appeal under the Virginia Securities Act with respect to this Settlement Order, and D.H. Blair's admission of jurisdiction of the Commission, the Commission finds that D.H. Blair, for the sole purpose of settling this proceeding and without admitting or denying the matters set forth herein, has consented to the entry of this Settlement Order and that this Settlement Order is appropriate, in the public interest and necessary for the protection of investors.

IT IS ORDERED, that upon this Settlement Order becoming effective, D.H. Blair shall make available to former clients, the above-referenced two million two hundred fifty thousand dollar ($2,250,000.00) fund and accrued interest, less escrow costs, for resolution of claims against D.H. Blair subject to the terms of Exhibit A attached hereto.

IT IS ORDERED that following the conclusion of its broker-dealer business, D.H. Blair may file a Form BDW with the Commission, thereby voluntarily withdrawing its broker-dealer registration but in any event shall not renew its broker-dealer registration at year-end, thereby allowing such to expire on December 31, 1998.

IT IS ORDERED, that this Settlement Order represents the complete and final resolution of, and discharge of any basis for any civil or administrative proceeding by the Commission against D.H. Blair, its officers, directors, shareholders, predecessors and subsidiaries, past and present, for violations arising as a result of or in connection with any actions or omissions by D.H. Blair, its officers, directors, shareholders, predecessors, subsidiaries and/or any of its associated or affiliated persons or entities, past and present; provided, however, this release does not apply to facts not known by the Commission or staff or not otherwise provided by D.H. Blair to the Multi-state Committee or the Commission or staff as of the date of this Settlement Order; provided, further, that this release does not apply to the sales practices of any individual in relation to soliciting investors' trades or accounts, but does apply to any action or omission by any officer, director or shareholder in their capacity as such.

IT IS ORDERED that this Settlement Order, except as to the parties hereto, does not limit or create any person's private remedies against D.H. Blair or others, or D.H. Blair's or others' defenses thereto.

IT IS ORDERED that, except as expressly provided in this Settlement Order, nothing herein is intended to or shall be construed to have created, compromised, settled, or adjudicated any claim, cause of action, or right of any person, other than as between the Commission and D.H. Blair in accordance with this Settlement Order.

IT IS ORDERED that this Settlement Order constitutes and includes a waiver based on a finding of good cause by the Commission of any and all limitations and disqualifications that may ensue from the entry of this Settlement Order, other state orders entered in this matter, the AWC and the NYSE Consent Order that would otherwise affect, restrict or limit the business of D.H. Blair and its predecessors, subsidiaries and affiliated persons or entities, past and present, or their ability to participate in offerings or avail themselves of exemptions, including, without limitation, the Uniform Limited Offering Exemption, as and to the extent now or hereafter adopted in Virginia.

IT IS ORDERED that this Settlement Order does not permanently or temporarily enjoin D.H. Blair or others, and is not intended to prohibit D.H. Blair or others from acting as an underwriter, broker, dealer, investment adviser, municipal securities dealer, transfer agent, or entity or person required to be registered under the Commodity Exchange Act, or as an affiliated person of any investment company, bank, insurance company, or entity or person required to be registered under the Commodity Exchange Act, or from engaging in or continuing any conduct or practice in connection with any such activity or in connection with the purchase or sale of any security.

IT IS FURTHER ORDERED, that this Settlement Order shall become effective upon funding of the claims fund referenced in Exhibit A, attached hereto and incorporated herein by reference.

IT IS FURTHER ORDERED that this matter is dismissed from the Commission's docket and placed in the file for ended causes.

NOTE: A copy of Exhibit A entitled "Agreement" is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

TABLES

CLERK'S OFFICE

Summary of the changes in the number of Virginia corporations, foreign corporations, and limited partnerships licensed to do business in Virginia, and of amendments to Virginia, foreign, and limited partnership charters during 1997 and 1998.

VIRGINIA CORPORATIONS

	1997	1998
Certificates of Incorporation issued	18,793	17,849
Corporations voluntarily terminated	2,078	2,236
Corporations involuntarily terminated	334	237
Corporations automatically terminated	16,185	11,214
Reinstatements of terminated corporations	3,207	2,694
Charters amended	3,102	3,116
Active Stock Corporations	136,610	135,316
Active Non-Stock Corporations	25,241	25,431
Total Active Virginia Corporations	161,851	160,747

FOREIGN CORPORATIONS

Certificates of Authority to do business in Virginia issued	4,270	4,706
Voluntary withdrawals from Virginia	951	1,051
Certificates of Authority automatically revoked	2,752	1,624
Certificates of Authority involuntarily revoked	78	30
Reentry of corporations with surrendered or revoked certificates	736	524
Charters amended	1,133	1,086
Active Stock Corporations	29,919	30,240
Active Non-Stock Corporations	1,795	1,811
Total Active Foreign Corporations	31,714	32,051
Total Active (Foreign and Domestic) Corporations	193,565	192,798

LIMITED PARTNERSHIPS

Limited Partnership Certificates filed	1,035	2,566
Limited Partnership Certificates amended	832	777
Limited Partnership Certificates voluntarily canceled	273	224
Limited Partnership Certificates involuntarily canceled	1,278	2,438
Total active Limited Partnerships	10,791	8,394

LIMITED LIABILITY COMPANIES

Articles of organization filed	8,206	9,974
Articles of organization amended	544	660
Articles of organization voluntarily canceled	357	447
Articles of organization involuntarily canceled	2,875	2,438
Total Active Limited Liability Companies	20,152	26,674

LIMITED LIABILITY PARTNERSHIPS

Applications Limited Liability Partnerships	178	73
Renewals Limited Liability Partnerships	5	352
Total Active Limited Liability Partnerships	183	525

COMPARISON OF REVENUES DEPOSITED BY THE CLERK'S OFFICE FOR THE FISCAL YEARS ENDING JUNE 30, 1997, AND JUNE 30, 1998

General Fund	1997	1998	Difference
Security Registration Fee	$8,050.00	$7,825.00	($225.00)
Charter Fees	1,496,034.00	1,577,273.40	81,239.40
Entrance Fees	1,606,469.20	1,579,678.00	(26,791.20)
Filing Fees	816,710.50	809,867.00	(6,843.50)
Registered Name	1,550.00	1,340.00	(210.00)
Registered Office and Agent	0.00	0.00	0.00
Service of Process	21,000.00	27,270.00	6,270.00
Copy and Recording Fees	439,804.00	470,891.00	31,087.00
Annual Report Publication	5,029.60	10,019.50	4,989.90
Uniform Commercial Code Revenues	793,248.00	843,580.00	50,332.00
Excess Fees Paid into State Treasury	129,555.36	168,856.18	39,300.82
Miscellaneous Sales	0.00	0.00	0.00
TOTAL	$5,317,450.66	$5,496,600.08	$179,149.42
Special Fund			
Domestic-Foreign	$14,590,872.94	$8,147,648.42	($6,443,224.52)*
Limited Partnership Registration Fee	404,620.00	400,010.00	(4,610.00)
Reserved Name - Limited Partnership	20,290.00	28,130.00	7,840.00
Certificate Limited Partnership	92,700.00	93,600.00	900.00
Application Reg. Foreign LP	19,700.00	23,900.00	4,200.00
Reinstatement LP	11,800.00	25,100.00	13,300.00
Registration Fee LLC	394,280.00	605,565.00	211,285.00
Application For Reg. LLC	54,125.00	90,400.00	36,275.00
Art of Org Dom. LLC	645,600.00	830,744.00	185,144.00
AJD. CANC, CORR. RAC, Etc. LLC	27,340.00	32,583.00	5,243.00
SCC Bad Check Fee	3,951.50	3,430.00	(521.50)
Interest on Del. Tax	17.00	95.00	78.00
Penalty on Non-Pay Taxes by Due Date	358,780.05	339,216.30	(19,563.75)
Miscellaneous Revenue	53,000.00	400.00	(52,600.00)
New Applications LLP	9,800.00	17,500.00	7,700.00
Renewals LLP	1,700.00	2,250.00	550.00
Statement of Partnership Authority GP Dom	4.04	4,025.00	4,025.00
Statement of Partnership Authority GP For	0.00	100.00	100.00
Statement of Amendments - GP	0.00	200.00	200.00
Statement of Reg. As For/Dom LLP	0.00	1,200.00	1,200.00
Statement of Amendment LLP	0.00	200.00	200.00
Reinstatement/Reentry LLC	0.00	15,600.00	15,600.00
Tape Sales, Misc Fees	0.00	45,000.00	45,000.00
Copies, Recording Fees	0.00	18.50	18.50
Recovery of Prior Yr Expenses	0.00	5,397.80	5,393.76
TOTAL	$16,688,580.53	$10,712,313.02	($5,976,267.51)
Valuation Fund			
Corp Operations Rec Of Copy and Cert Fees	$4,660.40	$10,439.60	$5,779.20
Dual Pty Relay Asmts	0.00	5,000.00	5,000.00
Recovery of Prior Yr Expenses	1,042.70	1,994.00	951.30
Dual Party Relay Assessments	10,000.00	0.00	(10,000.00)
TOTAL	$15,703.10	$17,433.60	$1,730.50
Trust & Agency Fund			
Fines Imposed by SCC	$102,815.51	$1,512,207.73	$1,409,392.22
TOTAL	$102,815.51	$1,512,207.73	$1,409,392.22
Federal Funds			
Gas Pipeline Safety	$40,499.12	$262,909.88	$222,410.76
TOTAL	$40,499.12	$262,909.88	$222,410.76
GRAND TOTAL	$22,165,048.92	$18,001,464.31	($4,163,584.61)

* The reduction in Domestic-Foreign Registration Fee Revenues is due to the 1997 Acts of the General Assembly, Chapter 216 effective on January 1, 1998, which replaced the April 1 due date for corporate registration fees and annual reports with the anniversary month the corporation was incorporated or authorized to transact business in Virginia.

COMPARISON OF FEES COLLECTED BY THE BUREAU OF FINANCIAL INSTITUTIONS FOR FISCAL YEARS ENDING JUNE 30, 1997, AND JUNE 30, 1998

	1996/1997	1997/1998
Banks	$5,329,456	$6,635,897
Savings Institutions and Savings Banks	27,455	34,393
Consumer Finance Licensees	621,414	664,536
Credit Unions	551,375	574,356
Trust subsidiaries and Trust Companies	118,924	84,026
Industrial Loan Associations	16,806	23,636
Money Order Sellers and Transmitters	9,250	8,250
Debt Counseling Agency Licensees	7,950	8,700
Mortgage Lenders and Mortgage Brokers	1,011,808	1,257,773
Miscellaneous Collections	12,297	5,820
TOTAL	$7,706,735	$9,297,387

COMPARISON OF FEES AND TAXES COLLECTED BY THE BUREAU OF INSURANCE FOR THE FISCAL YEARS ENDING JUNE 30, 1997, AND JUNE 30, 1998

Kind	1997	1998	Increase or Decrease
General Fund			
Gross Premium Taxes of Insurance Companies	$219,032,413.26	$236,970,840.47	$17,938,427.21
Fraternal Benefit Societies Licenses	500.00	500.00	0.00
Viatical Settlement Provider License Fees	0.00	2,500.00	2,500.00
Viatical Settlement	0.00	450.00	450.00
Hospital, Medical, and Surgical Plans and Salesmen's Licenses	165,840.00	0.00	(165,840.00)
Interest on Delinquent Taxes	66,288.63	137,848.01	71,559.38
Penalty on non-payment of taxes by due date	115,140.97	212,627.20	97,486.23
Special Fund			
Company License Application Fee	20,500.00	29,000.00	8,500.00
Health Maintenance Organization License Fee	500.00	0.00	(500.00)
Automobile Club/ Agent Licenses	8,464.00	10,068.00	1,604.00
Insurance Premium Finance Companies Licenses	9,800.00	9,600.00	(200.00)
Agents Appointment Fees	7,227,972.00	7,983,084.00	755,112.00
Surplus Lines Broker Licenses	16,800.00	15,825.00	(975.00)
Agents License Application Fees	350,550.00	380,315.00	29,765.00
Recording, Copying, and Certifying Public Records Fee	62,813.75	65,780.00	2,966.25
Assessments To Insurance Companies for Maintenance of the Bureau of Insurance	6,978,611.31	5,504,922.63	(1,473,688.68)
Miscellaneous Revenue	0.00	0.00	0.00
Recovery of Prior Year Expenses	165,471.35	122,723.81	(42,747.54)
Fire Programs Fund	12,100,551.95	12,529,253.30	428,701.35
Licensing P&C Consultants	43,800.00	46,000.00	2,200.00
SCC Bad Check Fee	175.00	150.00	(25.00)
Fines Imposed by State Corporation Commission	1,670,350.00	1,249,400.00	(420,950.00)
Private Review Agents	25,500.00	13,000.00	(12,500.00)
Flood Assessment Fund	115,857.34	108,020.29	(7,837.05)
Heat Assessment Fund	883,829.66	979,951.87	96,122.21
Reinsurance Intermediary Broker Fees	1,000.00	1,500.00	500.00
Managing General Agent Fees	6,000.00	7,500.00	1,500.00
State Publication Sales	280.00	320.00	40.00
Debt Set Off Collections	0.00	18.00	18.00
TOTAL	$249,069,009.22	$266,381,197.58	$17,312,188.36

COMPARISON OF ASSESSMENT OF PUBLIC SERVICE COMPANIES FOR THE YEARS 1997 AND 1998

Class of Company	Value of all Taxable Property Including Rolling Stock 1997	1998	Increase or (Decrease)
Electric Light & Power Corporations	$14,444,165,674.00	$14,592,502,779.00	$148,337,105.00
Gas Corporations	1,151,649,494.00	1,230,587,035.00	78,937,541.00
Motor Vehicle Carriers (Rolling Stock only)	38,065,044.09	41,707,230.33	3,642,186.24
Telecommunications Companies	7,097,909,682.00	7,574,775,785.00	476,866,103.00
Water Corporations	100,453,452.00	101,865,480.00	1,412,028.00
TOTAL	$22,832,243,346.09	$23,541,438,309.33	$709,194,963.24

COMPARISON OF ASSESSMENT OF STATE TAXES OF PUBLIC SERVICE COMPANIES FOR THE YEARS 1997 AND 1998

Class of Company	The Yearly License Tax 1997	1998	Increase or (Decrease)
Electric Light & Power Corporations	$102,943,297.88	$90,719,941.86	($12,223,356.02)
Gas Corporations	16,590,388.95	17,533,092.67	942,703.72
Water Corporations	747,505.84	794,023.01	46,517.17
TOTAL	$120,281,192.67	$109,047,057.54	($11,234,135.13)

COMPARISON OF ASSESSMENT OF ADDITIONAL ANNUAL STATE TAX FOR VALUATION AND RATE MAKING OF CERTAIN CLASSES OF UTILITY COMPANIES FOR THE YEARS 1997 AND 1998

Class of Company	1997	1998	Increase or (Decrease)
Electric Light & Power Corporations	$6,058,867.88	$6,022,530.09	($36,337.79)
Gas Corporations	830,717.59	964,766.98	134,049.39
Motor Vehicle Carriers	22,533.63	28,800.83	6,267.20
Railroad Companies	355,643.60	634,932.59	279,288.99
Telecommunications Companies	3,226,453.95	3,610,290.45	383,836.50
Virginia Pilots Association	13,641.65	15,199.04	1,557.39
Water Corporations	37,373.33	43,671.24	6,297.91
TOTAL	$10,545,231.63	$11,320,191.22	$774,959.59

Railroad Companies assessed at seven-hundredths of one percent and all other companies at eleven-hundredths of one percent.

COMPARATIVE STATEMENT OF ASSESSED VALUES OF PROPERTIES OF PUBLIC SERVICE CORPORATIONS AS ASSESSED BY THE STATE CORPORATION COMMISSION

Cities	1997	1998	Increase or (Decrease)
Alexandria	$497,322,271	$531,128,048	$33,805,777
Bedford	8,090,832	8,331,176	240,344
Bristol	10,157,963	10,375,298	217,335
BuenaVista	7,728,100	7,315,585	(412,515)
Charlottesville	96,649,910	104,688,284	8,038,374
Chesapeake	636,238,860	654,419,156	18,180,296
Clifton Forge	6,111,311	7,854,135	1,742,824
Colonial Heights	24,683,285	27,067,906	2,384,621
Covington	15,458,944	13,066,761	(2,392,183)

Danville	43,823,287	37,610,524	(6,212,763)
Emporia	16,093,764	17,147,336	1,053,572
Fairfax	93,573,970	96,649,331	3,075,361
Falls Church	18,898,878	20,657,505	1,758,627
Franklin	8,273,293	8,452,451	179,158
Fredericksburg	55,793,245	58,358,500	2,565,255
Galax	10,657,264	11,256,397	599,133
Hampton	218,256,438	228,754,094	10,497,656
Harrisonburg	42,863,652	46,032,124	3,168,472
Hopewell	64,685,347	62,986,545	(1,698,802)
Lexington	10,628,457	13,011,140	2,382,683
Lynchburg	146,081,612	147,838,034	1,756,422
Manassas	42,832,306	48,236,040	5,403,734
Manassas Park	10,568,383	11,540,899	972,516
Martinsville	22,065,630	22,019,188	(46,442)
Newport News	319,990,107	323,788,807	3,798,700
Norfolk	499,715,441	536,341,319	36,625,878
Norton	23,179,901	22,699,310	(480,591)
Petersburg	81,505,075	81,455,610	(49,465)
Poquoson	11,986,052	12,506,485	520,433
Portsmouth	157,094,714	164,759,950	7,665,236
Radford	14,142,054	14,747,289	605,235
Richmond	601,375,120	628,249,221	26,874,101
Roanoke	195,952,673	203,506,857	7,554,184
Salem	24,380,300	23,645,680	(734,620)
Staunton	49,303,719	50,881,645	1,577,926
Suffolk	122,730,890	131,535,507	8,804,617
Virginia Beach	625,450,481	648,909,817	23,459,336
Waynesboro	38,189,531	53,634,566	15,445,035
Williamsburg	35,556,486	38,273,550	2,717,064
Winchester	43,237,014	46,740,306	3,503,292
Total Cities	$4,951,326,560	$5,176,472,376	$225,145,816

COMPARATIVE STATEMENT OF ASSESSED VALUES OF PROPERTIES OF PUBLIC SERVICE CORPORATIONS AS ASSESSED BY THE STATE CORPORATION COMMISSION

Counties	1997	1998	Increase or (Decrease)
Accomack	$71,753,566	$72,468,321	$714,755
Albemarle	190,626,546	195,277,053	4,650,507
Alleghany	37,726,491	42,757,407	5,030,916
Amelia	19,026,380	19,060,672	34,292
Amherst	59,292,337	61,199,252	1,906,915
Appomattox	27,763,148	25,419,251	(2,343,897)
Arlington	828,707,083	894,703,648	65,996,565
Augusta	162,341,736	154,772,654	(7,569,082)
Bath	1,540,920,348	1,259,409,665	(281,510,683)
Bedford	138,263,046	146,142,057	7,879,011
Bland	13,146,126	12,883,482	(262,644)
Botetourt	89,457,202	113,395,174	23,937,972
Brunswick	36,857,593	37,462,855	605,262
Buchanan	48,189,071	49,239,819	1,050,748
Buckingham	33,418,318	43,965,207	10,546,889
Campbell	130,461,502	131,332,175	870,673
Caroline	81,814,048	91,380,835	9,566,787
Carroll	47,399,426	65,405,224	18,005,798
Charles City	31,617,825	28,904,047	(2,713,778)
Charlotte	32,103,058	30,777,324	(1,325,734)
Chesterfield	1,107,422,598	1,101,069,642	(6,352,956)
Clarke	26,403,655	30,929,765	4,526,110
Craig	10,497,027	9,737,352	(759,675)
Culpeper	82,132,284	94,659,778	12,527,494
Cumberland	21,954,380	27,062,649	5,108,269
Dickenson	28,207,337	28,291,195	83,858
Dinwiddie	70,221,109	69,781,455	(439,654)
Essex	29,679,365	30,555,023	875,658

Fairfax	2,287,436,365	2,450,950,104	163,513,739
Fauquier	136,804,754	154,230,628	17,425,874
Floyd	29,854,426	30,892,843	1,038,417
Fluvanna	112,742,893	128,130,174	15,387,281
Franklin	92,412,659	92,914,591	501,932
Frederick	169,308,253	176,391,905	7,083,652
Giles	108,459,433	112,556,295	4,096,862
Gloucester	64,909,109	74,021,609	9,112,500
Goochland	53,686,782	55,854,672	2,167,890
Grayson	26,922,388	28,036,847	1,114,459
Greene	20,591,291	20,665,251	73,960
Greensville	20,752,251	20,844,886	92,635
Halifax	865,831,110	1,070,622,832	204,791,722
Hanover	243,296,527	243,311,892	15,365
Henrico	697,624,406	710,430,428	12,806,022
Henry	98,882,020	96,276,505	(2,605,515)
Highland	14,544,627	15,032,291	487,664
Isle of Wight	74,211,378	77,753,977	3,542,599
James City	120,871,124	129,570,850	8,699,726
King George	38,533,181	41,108,380	2,575,199
King and Queen	19,252,038	19,362,492	110,454
King William	30,835,475	30,463,668	(371,807)
Lancaster	33,050,626	32,781,597	(269,029)
Lee	43,196,083	48,042,923	4,846,840
Loudoun	349,485,904	372,768,656	23,282,752
Louisa	1,975,906,269	1,918,714,986	(57,191,283)
Lunenburg	26,550,003	27,194,780	644,777
Madison	27,391,848	27,450,694	58,846
Mathews	19,290,431	19,109,797	(180,634)
Mecklenburg	73,544,920	91,038,548	17,493,628
Middlesex	30,627,010	31,280,497	653,487
Montgomery	90,841,677	94,733,061	3,891,384
Nelson	46,417,086	47,209,310	792,224
New Kent	47,367,252	48,153,725	786,473
Northampton	30,971,488	30,423,375	(548,113)
Northumberland	25,332,330	28,477,813	3,145,483
Nottoway	29,460,667	29,585,802	125,135
Orange	59,467,299	70,362,656	10,895,357
Page	47,700,299	47,808,773	108,474
Patrick	36,983,701	38,571,906	1,588,205
Pittsylvania	103,136,301	139,901,578	36,765,277
Powhatan	45,704,959	53,446,012	7,741,053
Prince Edward	38,235,448	34,869,902	(3,365,546)
Prince George	44,867,686	46,127,427	1,259,741
Prince William	788,628,043	822,804,359	34,176,316
Pulaski	70,425,639	85,925,886	15,500,247
Rappahannock	20,723,934	21,017,335	293,401
Richmond	47,315,177	46,969,869	(345,308)
Roanoke	156,055,837	165,232,667	9,176,830
Rockbridge	76,946,084	76,938,109	(7,975)
Rockingham	118,083,275	137,246,289	19,163,014
Russell	182,149,764	192,607,614	10,457,850
Scott	38,687,344	49,194,150	10,506,806
Shenandoah	91,328,310	97,855,315	6,527,005
Smyth	63,204,541	77,395,606	14,191,065
Southampton	40,407,027	37,747,084	(2,659,943)
Spotsylvania	172,223,603	182,774,206	10,550,603
Stafford	145,697,889	157,176,504	11,478,615
Surry	1,439,659,694	1,397,632,277	(42,027,417)
Sussex	32,279,117	33,931,385	1,652,268
Tazewell	61,552,674	61,295,775	(256,899)
Warren	45,912,102	45,316,730	(595,372)
Washington	83,935,984	81,814,109	(2,121,875)
Westmoreland	39,731,781	40,371,703	639,922
Wise	64,492,988	64,694,165	201,177
Wythe	75,146,547	72,972,462	(2,174,085)
York	437,570,006	448,825,185	11,255,179
Total Counties	$17,842,851,742	$18,323,258,703	$480,406,961
Total Cities & Counties	$22,794,178,302	$23,499,731,079	$705,552,777

COMPARISON OF FEES COLLECTED BY THE DIVISION OF SECURITIES AND RETAIL FRANCHISING FOR THE YEARS ENDING DECEMBER 31, 1997, AND DECEMBER 31, 1998

Kind	1997	1998	Increase or (Decrease)
Securities Act	$9,657,893	$6,678,162	$(2,979,731)
Retail Franchising Act	313,700	306,650	(7,050)
Trademarks-Service Marks	19,575	16,350	(3,225)
Fines	156,200	68,850	(87,550)
TOTAL	$10,147,368	$7,069,812	$(3,077,556)

PROCEEDINGS BY DIVISIONS DURING THE YEAR 1998

DIVISION OF PUBLIC UTILITY ACCOUNTING

The following statistical data summarizes Rate Cases, Certificate Cases, Annual Informational Filings, Earnings Tests, Allocation and Separations Studies, Fuel Factor Cases, Compliance Audits and Special Studies made by the Division of Public Utility Accounting for the year 1998.

General Rate Cases	
Electric Companies (Investor Owned)	0
Electric Cooperatives	0
Gas Companies	5
Telephone Companies	1
Water and Sewer Companies	10
Total General Rate Cases	16
General Rate/Performance-Based Reviews	
Electric	2
Gas	0
Water	1
Total General Rate/Performance-Based Reviews	3
Expedited Rate Cases	
Electric Companies (Investor Owned)	0
Electric Cooperatives	0
Gas Companies	1
Telephone Companies	0
Water and Sewer Companies	0
Total Expedited Rate Cases	1
Certificate Cases	
Electric Companies (Investor Owned)	0
Gas Companies	0
Water and Sewer Companies	1
Total Certificate Cases	1
Annual Informational Filings/Earnings Tests	
Electric Companies (Investor Owned)	2
Gas Companies	6
Telephone Companies	5
Water and Sewer Companies	0
Total Annual Informational Filings	13
Allocation/Separations Studies - Telephone Companies	5
Fuel Factor Cases - Electric Companies	3
Compliance Audits	4
Special Studies	8

During the year 1998, the Division of Public Utility Accounting received applications filed under the Public Utilities Affiliates Law and the Utility Transfers Act pertaining to public utilities for processing, analysis, and study. The number and type of written reports submitted to the Commission recommending action and orders drawn are as follows:

Number of Utility Transfer Act Cases	
Transfer of Assets	3
Transfer of Securities or Control	10
Number of Affiliates Act Cases	
Service Agreements	23
Lease Agreements	0
Gas Purchases/Supply	0
Advances of Funds	0
Affiliate Act Exemptions	1
Transfer of Assets	1
Total Number of Cases	38

The Commission's Division of Public Utility Accounting consisted of the following personnel on December 31, 1998:

Filled	Vacant	Description
1		Director
2		Deputy Director
1		Manager of Audits
1		Administrative Supervisor
1		Systems Supervisor
2		Senior Office Technician
6		Principal Public Utility Accountant
5		Senior Public Utility Accountant
6		Public Utility Accountant
25		Total Authorized 27

DIVISION OF COMMUNICATIONS

The Division of Communications assists the Commission in carrying out its duties as prescribed by the Code of Virginia. The Division monitors, enforces and makes recommendations on certain rates, tariffs, and operating procedures of investor-owned telecommunications utilities. The Division enforces service standards, assures compliance with tariff regulations, coordinates extended area service studies, enforces pay telephone regulations, assists in carrying out provisions of the 1996 Telecommunications Act, and prescribes depreciation rates. The staff testifies in rate, service, and generic hearings and meets with the general public on communications issues and problems. The Division maintains territorial maps, performs special studies, monitors construction programs, and investigates and resolves consumer inquiries and complaints. The staff also follows developments at the federal level, and prepares Commission responses where appropriate.

At the end of 1998, there were under the supervision of the Division:

14 Incumbent Local Exchange Telephone Companies
65 Competitive Local Exchange Telephone Companies
50 Long Distance Telephone Companies
569 Private Pay Telephone Providers

SUMMARY OF 1998 ACTIVITIES

Consumer complaints and protests investigated	4,584
Telephone inquiries received	7,968
Tariff revisions received:	
Interexchange Companies	82
Incumbent Local Exchange Companies	140
Competitive Local Exchange Companies	98
Tariff sheets filed:	
Interexchange Companies	694
Incumbent Local Exchange Companies	1,323
Competitive Local Exchange Companies	5,377
Cases in which staff members prepared testimony or reports	45
Certificates of Convenience and Necessity granted or amended:	
Interexchange Carriers	17
Competitive Local Exchange Carriers	30
Interconnection Agreements Approved	79
Depreciation studies completed	2
FCC comments filed	2
Extended Area Service studies completed or underway	15
Service Surveillance and Results Analysis Provided Monthly on:	
Access Lines	4,674,808
Switching Offices	429
Business Offices	39
Repair Centers	12
Pay Telephone Registration and Rules Enforcement provided on:	
Private pay telephone providers	569
Private pay telephones	12,980
Local Exchange Company pay telephones	38,915
Pay telephone audits	207
Visits to:	
Customer premises to resolve customer complaints	32
Company premises to resolve customer complaints	24
Company premises to review service performance	54
Company premises to inspect network reliability	11
Construction Program reviews	4

OTHER:

Assisted Commission in continued implementation of the Telecommunications Act of 1996.

Pursued various activities related to the Commission's alternative plans for regulating telephone companies, including the following:
- Evaluated filings for one addition to existing competitive services
- Reviewed proposed service classifications for new services, and reclassifications for existing services
- Evaluated Individual Case Basis (ICB) and Special Assembly price filings
- Assisted in gathering monitoring data

Assisted Commission counsel with respect to formal rate, service or generic matters.

Participated in matters affecting communications policy with federal agencies.

Assisted with reports to the legislature and with developing telecommunications legislation.

Made presentations to trade and citizens groups, associations, and telephone companies.

Participated in matters affecting emergency 911 communications procedures with local government agencies and the Virginia Telephone Industry Association.

Provided guidance to the Virginia Payphone Association.

Assisted private pay telephone providers in resolving operations issues with local exchange companies.

Responded to questionnaires from NARUC and others with respect to telecommuni-cations matters.

Reviewed construction budgets of major telephone companies for 1997-1998 period.

Met with local governing bodies and citizens groups with respect to local calling areas and service problems.

Worked with Va. Department for the Deaf and Hard of Hearing and Department of Information Technology on monitoring of Telecommunications Relay Service in Virginia and preparation of a request for proposal for new contract.

Staff member reappointed to the NARUC Staff Subcommittee on Depreciation.

Staff member reappointed to the NARUC Staff Subcommittee on Communications.

Staff member reappointed to the NARUC Staff Subcommittee on Service Quality.

DIVISION OF ECONOMICS AND FINANCE

The Division of Economics and Finance performs analysis and research on economic and financial issues pertaining to utility regulation. The Division also provides analytical and research support as needed by non-utility divisions within the Commission.

The Division has ongoing responsibility for:
- issuing monthly Fuel Price Index reports;
- maintaining and issuing monthly reports for the electric utility Fuel Monitoring System;
- issuing quarterly Natural Gas Price Index reports;
- analyzing and presenting testimony on capital structure, cost of capital, and other finance-related issues in utility rate cases;
- analyzing and presenting testimony on interest expense, appropriate earnings level and other finance-related issues in electric cooperative rate cases;
- monitoring the financial condition of Virginia utilities;
- monitoring the diversification activities of holding companies with utility subsidiaries operating in Virginia;
- reviewing annual financing plans of Virginia utilities;
- analyzing utility applications for the issuance of securities and providing the Commission with recommendations;
- conducting studies of intermediate/long range issues in electric, gas and telecommunications utility regulations;
- acquiring and running analytic computer models used to simulate, project, and/or evaluate utility operations and regulatory issues;
- issuing annual economic and energy forecast reports;
- monitoring inter-LATA and intra-LATA telecommunications competition;
- monitoring the incumbent local exchange companies participating in the Alternative Regulatory Plans;
- monitoring competitive local exchange carriers;
- monitoring and maintaining files of electric utilities' operating forecasts;
- monitoring and maintaining files of gas utilities' Five Year Forecasts;
- providing statistical and graphic support for other SCC divisions; and
- maintaining database management systems for preparation of economic and financial analysis in utility cases.

SUMMARY OF MAJOR ACTIVITIES FOR 1998

- Presented testimony on capital structure, cost of capital and other financial issues in eight investor-owned utility rate cases.
- Presented testimony on financial issues in a utility merger case.
- Completed nine Annual Informational Filing reports for electric, gas and water utilities.
- Analyzed and processed 33 applications for utilities seeking authority to issue securities.
- Prepared a report regarding the financial condition for each of 30 competitive local exchange carriers applying for certification.
- Prepared a report on a forecast of revenue neutrality, based upon proposed tariff changes for United Telephone Company.
- Prepared a report regarding the relevant economic issues in the merger between MCI and Worldcom.
- Prepared and presented testimony in five electric fuel factor proceedings.
- Prepared and presented testimony in one cogeneration rate proceeding.
- Conducted a survey of various states regarding the treatment of financial derivative transactions of utilities.
- Prepared a report and recommendation on the proposed refinancing of the Dulles Greenway toll road pursuant to the Virginia Highway Corporation Act of 1988.
- Reviewed and summarized the 1998 Five-Year Forecast for each of the five investor-owned electric utilities in Virginia.
- Received and began review of the 1998 Five-Year Forecast for seven of the eight gas utilities in Virginia.
- Prepared and presented testimony regarding a special contract proposed by Virginia Power pursuant to § 56-235.2 D of the Code of Virginia.
- Prepared testimony regarding Virginia Power's request for CPCN to construct combustion turbine facilities in Virginia.
- Continued monitoring the status of electric and gas experimental demand-side programs.
- Continued review and analysis of existing gas and proposed electric retail choice pilot programs.
- Prepared and presented a Staff report on the Principles of Locational Marginal Pricing.
- Prepared and presented a Staff report on the Midwest Power Supply Crisis of June 1998.
- Prepared and presented a Staff report on the Economic View of Potential Outcomes of Competition in the U.S. Electric Power Industry.
- Prepared and presented a Staff report on an Overview of the Merchant Plant industry.
- Developed a forecast of budget items for the Bureau of Insurance.
- Developed a forecast of the Virginia Telecommunications relay service bank balance for the Office of Commission Comptroller.
- Developed a forecast of the Clerk's office special fund collection for the Office of Commission Comptroller.
- Prepared a forecast of escalation rates to apply to the biennial budget for the Office of Commission Comptroller.

DIVISION OF ENERGY REGULATION

Activities for Calendar Year 1998

The Division of Energy Regulation assists the Commission in fulfilling its statutory responsibilities pursuant to Title 56, Chapter 10 of the Code of Virginia. Activities include reviewing investor-owned electric, gas, water/sewer utilities' cost of service studies; reviewing allocation methods, depreciation rates and rate design philosophies; and providing expert testimony in that regard. The Division also provides expert testimony in certificate cases for service areas and major facility construction for these utilities and for independent power producers. Additional duties include the preparation and defense of prefiled testimony as it relates to electric cooperatives and other technical functions related to regulation of the cooperatives. It also has monitoring responsibilities relative to: the collection of gas costs by gas utilities; the incurrence of wholesale purchased power expenses by electric cooperatives; and the recovery of fuel expenses and the construction and operation of major facilities by the investor-owned utilities. It also reviews extraordinary costs and policies related to nuclear power, including the decommissioning of nuclear power plants and the storage of spent nuclear fuel. The Division administers pipeline safety programs for interstate jurisdictional gas and hazardous liquid companies in Virginia, including inspections of facilities, records and construction activities to determine compliance with pipeline safety regulations. It administers the enforcement of the Underground Utility Damage Prevention Act; investigates all reports of violation of that Act; and makes enforcement recommendations to the Commission. The resolution of complaints/inquiries received against regulated utilities and the maintenance of official records/maps of utility certificated areas are also duties of the Division. It provides the Commission with technical expertise in policy related issues and has provided testimony in several hearings required by the Public Utility Regulatory Policies Act and in other proceedings associated with restructuring of natural gas and electric utilities.

SUMMARY OF 1998 ACTIVITIES

Consumer Complaints, Letters of Protest, and Inquiries Received	3,772
Tariff Filings Received	439
Tariff Sheets Accepted	1,442
Gas Safety Pipeline Inspections (Person Days)	212
Testimony and Reports filed by Staff	49
Certificates of Convenience and Necessity Granted, Transferred or Revised	19
Special Reports	10
Gas Accident Investigations and Incident Reports	6
Electric On-Site Construction Inspections	0
Underground Utility Damage Reports Investigated	3,318

BUREAU OF FINANCIAL INSTITUTIONS

The Bureau of Financial Institutions is responsible under Title 6.1 of the Code of Virginia for the regulation and supervision of the following types of institutions: state chartered banks, independent trust companies, state chartered savings institutions, state chartered credit unions, industrial loan associations, consumer finance licensees, money order seller/money transmitter licensees, mortgage lenders and brokers, debt counseling agencies, and

check cashers. Financial institutions domiciled outside of Virginia that have deposit taking subsidiaries within the Commonwealth are also subject to the Bureau regulatory authority, as are out-of-state deposit taking subsidiaries of financial holding companies domiciled in Virginia.

During the calendar year, the Bureau of Financial Institutions received, investigated, and processed 1,356 applications for various certificates authority as shown below:

APPLICATIONS RECEIVED AND/OR ACTED UPON
BY THE BUREAU OF FINANCIAL INSTITUTIONS IN 1998

New Banks	10
Interim Banks	2
Bank Branches	103
Bank Branch Office Relocations	11
Relocate Bank Main Office	1
Bank EFT Facilities	12
Bank Mergers	9
Mergers Pursuant to the Riegle-Neal Interstate Banking and Branching Efficiency Act of 1994	2
Acquisitions Pursuant to Chapter 13 of Title 6.1	13
Acquisitions Pursuant to Chapter 15 of Title 6.1	10
Acquisitions Pursuant to The Savings Institutions Act	2
New Bank Conversion From Savings Institution	1
Establish an Independent Trust Branch	1
Independent Trust Branch Move	1
Industrial Loan Office Move	2
Credit Union Mergers	2
Credit Union Service Facilities	7
Move a Credit Union Office	4
Consumer Finance Offices	28
Consumer Finance Other Business	33
Consumer Finance Office Relocations	20
Acquire Money Order Seller/Transmitter	1
New Mortgage Brokers	172
New Mortgage Lenders	72
New Mortgage Lenders and Brokers	64
Mortgage Lender Broker Additional Authority	20
Acquisitions Pursuant to Section 6.1-416.1 of the Virginia Code	20
Mortgage Branches	426
Mortgage Office Relocations	281
New Money Order Sellers	10
Debt Counseling Agency Offices	2
Debt Counseling Additional Offices	9
New Check Cashers	5

At the end of 1998, there were under the supervision of the Bureau 122 banks with 1,266 branches, 53 Virginia bank holding companies, 16 non-Virginia bank hold companies with banking offices in Virginia, 3 independent trust companies, 4 savings institutions with 8 branches, 77 credit unions, 8 industrial loan associations, 34 consumer finance companies with 296 Virginia offices, 28 money order sellers, 14 non-profit debt counseling agencies, 30 check cashers, 141 mortgage lenders with 565 offices, 441 mortgage brokers with 607 offices, and 228 mortgage lender/brokers with 736 offices.

DIVISION OF INSURANCE REGULATION
ACTIVITIES FOR THE FISCAL YEAR ENDING JUNE 30, 1998

The regulation of insurance was transferred to the State Corporation Commission from the Auditor of Public Accounts in 1906. The Bureau has licensed and examined the affairs of insurance companies since that time. Regulation of insurance has been left almost exclusively to state governments since 1869, and here in Virginia the functions of the Bureau of Insurance have increased with the complexity and importance of insurance in our daily lives.

The Bureau of Insurance has four separate departments. There are three line departments, Financial Regulation, Market Regulation for Property and Casualty Insurance, and Market Regulation for Life and Health Insurance, and one staff department, Administration. The line units conduct the day-to-day operations of monitoring company and agent activities, while the staff department works in an auxiliary role to support the line units.

The Bureau is involved in a variety of regulatory functions which can be categorized into five areas. They include: (1) The examination and evaluation of companies to assure that they are financially sound and capable of meeting their contractual obligations. (2) The Bureau also reviews and studies rates and policies to insure that insurance products offered in this State are understandable, are of high quality, and that the premiums charged are reasonable and fair. (3) The Bureau also monitors the services and benefits provided by companies to determine if they are consistent with policy provisions, fairly and equitably delivered, and understandable. (4) In addition, the Bureau checks new entrants into the insurance business and monitors the conduct of existing ones to determine if they are competent, knowledgeable, and conduct their activities in accordance with acceptable standards of business conduct. (5) The Bureau is also actively engaged in improving its present operations by identifying, and resolving areas of regulatory concern before significant problems develop.

SUMMARY OF 1998 ACTIVITIES

New insurance companies licensed to do business in Virginia	44
Insurance company financial statements analyzed	8,211
Financial examinations of insurance companies conducted	26
Property and Casualty insurance rules, rates, and form submissions	5,408
Life and Health insurance policy forms and rate submissions	5,856
Property and Casualty insurance complaints received	4,164
Life and Health insurance complaints received	3,580
Market conduct examinations completed by the Life and Health Division	17
Market conduct examinations completed by the Property and Casualty Division	9
Insurance agents and agencies licensed	84,421
Tax and Assessment Audits	6,100

NOTICE OF INSURANCE-RELATED ENTITIES IN RECEIVERSHIP

Pursuant to Virginia Code § 38.2—1517, please **TAKE NOTICE** that the following insurance-related entities are in receivership under authority of various provision of Title 38.2 of the Code of Virginia:

1. **Fidelity Banker Life Insurance Company d/b/a First Dominion Life Insurance Company (FBL/FD).** Date of receivership: May 13, 1991. It presently appears that the affairs of the receivership will be wound up in the latter part of 2001 and that the company will not resume the transaction of the business of insurance.

2. **HOW Insurance Company, a Risk Retention Group, Home Owners Warranty Corporation and Home Warranty Corporation (the HOW Companies).** Date of receivership: October 7, 1994. It presently appears that the affairs of the receivership will be wound up in the latter part of 2004 or early 2005 and that the company will not resume the transaction of the business of insurance.

3. **CHA Group Insurance Trust, in Receivership (CHA).** Date of receivership: March 17, 1989. It is presently expected that the affairs of the receivership will be wound up in late 1999 and that the Trust will conduct no further business.

The Commission is the Receiver, and Commissioner of Insurance Alfred W. Gross is the Deputy Receiver, of FBL/FD and the HOW Companies. Any inquiries concerning the conduct of the receivership of First Dominion Life Insurance Company and the HOW Companies may be directed to their Special Deputy Receiver, Patrick H. Cantilo, Esquire, Cantilo, Bennett & Wisener, Suite 1700, 111 Congress Avenue, Austin, Texas 78701.

The Commission is the Receiver of CHA Group Insurance Trust, in Receivership. Any inquiries concerning the conduct of the receivership of CHA may be directed to the Special Deputy Receiver of CHA, C. William Waechter, Jr., Esquire, Williams, Mullen, Christian & Dobbins, Two James Center, 1021 East Cary Street, 16th Floor, Richmond, Virginia 23219.

STATE CORPORATION COMMISSION

RAILROAD REGULATION

The Division of Railroad Regulation investigates, at its own volition or upon complaint, rail service and compliance with rules and regulations by rail common carriers when intrastate aspects are involved; and conducts inspections and surveillance of rail tracks in State to provide for safe track maintenance in accordance with Federal Track Safety Standards as prescribed by the Federal Railroad Administration.

DIVISION OF SECURITIES AND RETAIL FRANCHISING

The Division of Securities and Retail Franchising of the State Corporation Commission is charged with the administration of the following laws:

Virginia Securities Act (known as the "Blue Sky Law"), Virginia Code Sections 13.1-501 through 13.1-527.3.
Virginia Trademark and Service Mark Act, Virginia Code Sections 59.1-92.1 through 59.1-92.21.
Virginia Retail Franchising Act, Virginia Code Sections 13.1-557 through 13.1-574.

UNDER THE VIRGINIA SECURITIES ACT:

17	qualification applications received
1,351	coordination applications received
8	notification applications received
982	filings for exemption from registration (Reg. D)
2,159	broker-dealer registrations renewed and granted
129	broker-dealer registrations denied, withdrawn, and terminated
125,063	agent registrations renewed and granted
24,918	agent registrations denied, withdrawn, and terminated
1,581	investment advisor registrations renewed and granted
64	investment advisor registrations denied, withdrawn, and terminated

7,507	investment advisor representative registrations renewed and granted
5,912	investment advisor representative registrations denied, withdrawn and terminated
0	orders filing and/or canceling surety bonds
18	orders granting exemptions and/or official interpretations
28	orders for subpoena of records by banks, corporations, and individuals
35	orders of show cause
49	judgments of compromise and settlement
29	final order and/or judgment

UNDER THE VIRGINIA TRADEMARK AND SERVICE MARK ACT:

408	applications for trademarks and/or service marks approved, renewed, or assigned
460	applications for trademarks and/or service marks denied, abandoned, expired, or withdrawn

UNDER THE VIRGINIA RETAIL FRANCHISING ACT:

1,163	franchise registration, renewal, or post-effective amendment applications received
236	franchises denied, withdrawn, non-renewed, or terminated

UNIFORM COMMERCIAL CODE

The Clerk's Office is the Central Filing Office in the Commonwealth under Part 4 of the Uniform Commercial Code. It is charged with the duty of receiving, processing, indexing, and examining financing statements, continuation statements, amendments, assignments, releases and termination statements filed by nationwide financial and lending institutions, state and federal agencies, legal professions, and the general public to perfect a security interest in collateral which secures payment or performance of an obligation. The Clerk's Office also is the Central Filing Office for Federal Tax Liens.

SUMMARY OF CALENDAR YEAR ACTIVITIES

	1997	1998
Financing/Subsequent Statements Filed	78,417	79,244
Federal Tax Liens/Subsequent Liens Filed	3,257	2,692
Reels of Microfilmed documents sold	378	214

INDEX OF LEADING MATTERS DISPOSED OF BY FORMAL ORDER

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LIST OF CASES ESTABLISHED IN 1998

BAN/BFI: BUREAU OF FINANCIAL INSTITUTIONS

BAN19980001 DEERWATER FINANCIAL, INC.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 13632 DEERWATER DRIVE, GERMANTOWN, MD TO 4206 WALLINGFORD COURT, JEFFERSON, MD

BAN19980002 ONE STOP MORTGAGE, INC.
TO RELOCATE MORTGAGE LENDERS'S OFFICE FROM 200 BAKER STREET, COSTA MESA, CA TO 3347 MICHELSON DRIVE, SUITE 300, IRVINE, CA

BAN19980003 MORTGAGE AND EQUITY FUNDING CORPORATION
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 18562 OFFICE PARK DRIVE, GAITHERSBURG, MD TO 444 N. FREDERICK AVENUE, SUITE 306, GAITHERSBURG, MD

BAN19980004 BANK OF MARION, THE
TO OPEN A BRANCH AT NORTHWEST CORNER OF ALLISON GAP ROAD AND MAIN STREET, SALTVILLE, VA

BAN19980005 FFR MORTGAGE COMPANY, LLC
TO OPEN A MORTGAGE BROKER'S OFFICE AT 235 SPOTSYLVANIA MALL, FREDERICKSBURG, VA

BAN19980006 GEORGE MASON BANK, THE
TO MERGE INTO IT UNITED BANK

BAN19980007 MONEY LENDERS, INC.
FOR ADDITIONAL MORTGAGE AUTHORITY

BAN19980008 MAINSTREET BANKGROUP INCORPORATED
TO ACQUIRE TYSONS FINANCIAL CORPORATION, MCLEAN, VA

BAN19980009 HAMILTON NATIONAL MORTGAGE COMPANY
FOR A MORTGAGE LENDER'S LICENSE

BAN19980010 KAVANAUGH, RICHARD ALAN
FOR A MORTGAGE BROKER'S LICENSE

BAN19980011 PARKWAY MORTGAGE, INC.
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 1738 ELTON ROAD, SUITE 220, SILVER SPRING, MD TO 275 NORTH MIDDLETOWN ROAD, PEARL RIVER, NY

BAN19980012 MORTGAGE ONE, INC.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 8391 OLD COURTHOUSE ROAD, SUITE 310, VIENNA, VA TO 11821 PARKLAWN DRIVE, SUITE 110, ROCKVILLE, MD

BAN19980013 HOMECOMINGS FINANCIAL NETWORK, INC.
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 12600 WHITEWATER DRIVE, MINNETONKA, MN

BAN19980014 UNITED COMPANIES LENDING CORPORATION D/B/A UC LENDING
TO OPEN A MORTGAGE LENDER'S OFFICE AT 54 EAST PATRICK STREET, FREDERICK, MD

BAN19980015 UNITED BANKSHARES, INC.
TO ACQUIRE GEORGE MASON BANKSHARES, INC., FAIRFAX, VA

BAN19980016 PHUNG, QUAN N. D/B/A CHAMPION MORTGAGE & INVESTMENT SERVICES (CMIS)
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 6521 ARLINGTON BOULEVARD, SUITE 506, FALLS CHURCH, VA TO 6521 ARLINGTON BOULEVARD, SUITE 104, FALLS CHURCH, VA

BAN19980017 CAPITAL ACCESS LTD
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 5514 ALMA LANE, SUITE 400, SPRINGFIELD, VA TO 12810 WESTBROOK DRIVE, FAIRFAX, VA

BAN19980018 FIDELITY TRUST MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 103 EAST WILLIAMSBURG ROAD, SANDSTON, VA

BAN19980019 WMC MORTGAGE CORP. D/B/A AMERICAN LOAN CENTERS
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 14500 AVION PARKWAY, SUITE 310, CHANTILLY, VA TO 14555 AVION PARKWAY, SUITE 150, CHANTILLY, VA

BAN19980020 ISLAND MORTGAGE NETWORK INC. D/B/A 1ST POTOMAC MORTGAGE
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 615 SOUTH FREDERICK ROAD, SUITE 308, GAITHERSBURG, MD

BAN19980021 COREWEST MORTGAGE COMPANY (USED IN VA BY: COREWEST BANC)
FOR A MORTGAGE LENDER'S LICENSE

BAN19980022 ENCORE MORTGAGE SERVICES, INC.
FOR A MORTGAGE LENDER AND BROKER LICENSE

BAN19980023 FIRST BANCORP MORTGAGE CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 770 J. CLYDE MORRIS BOULEVARD, NEWPORT NEWS, VA

BAN19980024 MIDCOAST MORTGAGE CORPORATION
FOR A MORTGAGE LENDER'S LICENSE

BAN19980025 BLUE RIDGE MORTGAGE, INC.
FOR A MORTGAGE BROKER'S LICENSE

BAN19980026 CITIZENS MORTGAGE CORPORATION
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM ONE COLUMBUS CENTER, SUITE 665, VIRGINIA BEACH, VA TO 3712 HOLLAND ROAD, VIRGINIA BEACH, VA

BAN19980027 PINNACLE RESIDENTIAL MORTGAGE CORPORATION
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 5710 EXECUTIVE DRIVE, SUITE 103, BALTIMORE, MD TO 1241 VOLUNTEER PARKWAY, SUITE 422, BRISTOL, TN

BAN19980028 METRO-COUNTY BANK OF VIRGINIA, INC.
TO RELOCATE MAIN OFFICE FROM 8194 ATLEE ROAD, MECHANICSVILLE, VA TO 8206 ATLEE ROAD, MECHANICSVILLE, VA
BAN19980029 COUNTRYWIDE HOME LOANS, INC. D/B/A AMERICA'S WHOLESALE LENDER
TO OPEN A MORTGAGE LENDER'S OFFICE AT 10585 NORTH MERIDIAN STREET, SUITE 310, INDIANAPOLIS, IN
BAN19980030 COUNTRYWIDE HOME LOANS, INC. D/B/A AMERICA'S WHOLESALE LENDER
TO OPEN A MORTGAGE LENDER'S OFFICE AT 3254 ACADEMY AVENUE, SUITE 25, PORTSMOUTH, VA
BAN19980031 FINANCIAL MORTGAGE, INC.
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 7617 LITTLE RIVER TURNPIKE, ANNANDALE, VA TO 6922 LITTLE RIVER TURNPIKE, SUITES A AND B, ANNANDALE, VA
BAN19980032 FEDERAL MORTGAGE EXCHANGE NETWORK, INC.
FOR A MORTGAGE BROKER'S LICENSE
BAN19980033 FIRST REPUBLIC MORTGAGE CORPORATION D/B/A US CAPITAL FUNDING
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 1420 BEVERLY ROAD, SUITE 240, MCLEAN, VA TO 7535 LITTLE RIVER TURNPIKE, SUITE 120, ANNANDALE, VA
BAN19980034 MORTGAGE VAULT, INC., THE
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 15200 SHADY GROVE ROAD, SUITE 350, ROCKVILLE, MD TO 16065 COMPRINT CIRCLE, GAITHERSBURG, MD
BAN19980035 MERITAGE MORTGAGE CORPORATION
FOR A MORTGAGE LENDER'S LICENSE
BAN19980036 MAINSTREET BANKGROUP INCORPORATED
TO ACQUIRE REGENCY FINANCIAL SHARES INC., RICHMOND, VA
BAN19980037 BLAZER FINANCIAL SERVICES, INC.
TO RELOCATE CONSUMER FINANCE OFFICE FROM 1506 S. MAIN STREET, UNIT 1, BOX 7, FARMVILLE, VA TO UNIT 10, 1506 SOUTH MAIN STREET, FARMVILLE, VA
BAN19980038 BLAZER MORTGAGE SERVICES, INC.
TO RELOCATE MORTGAGE LENDERS'S OFFICE FROM 1506 SOUTH MAIN ST., UNIT 1, BOX 7, FARMVILLE, VA TO 1506 SOUTH MAIN STREET, UNIT 10, FARMVILLE, VA
BAN19980039 CTX MORTGAGE COMPANY
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 6110 EXECUTIVE BOULEVARD, SUITE 850, ROCKVILLE, MD
BAN19980040 PREFERENCEAMERICA MORTGAGE NETWORK, INC.
FOR A MORTGAGE BROKER'S LICENSE
BAN19980041 SOUTHERN MORTGAGE SERVICES, INC.
FOR A MORTGAGE BROKER'S LICENSE
BAN19980042 AURORA LOAN SERVICES INC.
FOR A MORTGAGE LENDER'S LICENSE
BAN19980043 F&M BANK-NORTHERN VIRGINIA
TO OPEN A BRANCH AT SECTION 4B, PHASE 2, LOT B-2, SOUTH RIDING, LOUDOUN COUNTY, VA
BAN19980044 CITIZENS MORTGAGE CORPORATION
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 3831 OLD FOREST ROAD, SUITE 6, LYNCHBURG, VA TO 99 WOODBERRY LANE, SUITE E, LYNCHBURG, VA
BAN19980045 AMERICAN HOME MORTGAGE CO. LLC
FOR A MORTGAGE BROKER'S LICENSE
BAN19980046 STONE CASTLE FINANCIAL INC.
FOR A MORTGAGE LENDER AND BROKER LICENSE
BAN19980047 FULL SPECTRUM LENDING, INC.
TO RELOCATE MORTGAGE LENDERS'S OFFICE FROM 35 NORTH LAKE AVENUE, MS 35-72-A, PASADENA, CA TO 55 SOUTH LAKE AVENUE, 4TH FLOOR, PASADENA, CA
BAN19980048 MERCURY FINANCE COMPANY OF VIRGINIA
TO RELOCATE CONSUMER FINANCE OFFICE FROM 1774 EAST LITTLE CREEK ROAD, NORFOLK, VA TO 291 INDEPENDENCE BOULEVARD, SUITE 120, VIRGINIA BEACH, VA
BAN19980049 MORTGAGE ASSOCIATES OF VIRGINIA, INC. (USED IN VA BY: MORTGAGE ASSOCIATES, INC.)
TO OPEN A MORTGAGE BROKER'S OFFICE AT 1701 EUCLID AVENUE, SUITE K, BRISTOL, VA
BAN19980050 MORTGAGE ASSOCIATES OF VIRGINIA, INC. (USED IN VA BY: MORTGAGE ASSOCIATES, INC.)
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 7172 COLUMBIA GATEWAY DRIVE, SUITE F, COLUMBIA, MD TO 10320 LITTLE PATUXENT PARKWAY, SUITE 808, COLUMBIA, MD
BAN19980051 MORTGAGE ASSOCIATES OF VIRGINIA, INC. (USED IN VA BY: MORTGAGE ASSOCIATES, INC.)
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 4 HIGH STREET, HANOVER, PA TO 201 FREDERICK STREET, HANOVER, PA
BAN19980052 WHOLESALE MORTGAGE, INC.
TO RELOCATE MORTGAGE LENDERS'S OFFICE FROM 2448 S. 102ND STREET, SUITE 200, WEST ALLIS, WI TO 10850 W. PARK PLACE, SUITE 420, MILWAUKEE, WI
BAN19980053 COMMONWEALTH CATHOLIC CHARITIES
TO OPEN AN ADDITIONAL DEBT COUNSELING OFFICE AT 3321 SOUTH CRATER ROAD, SUITE C, PETERSBURG, VA
BAN19980054 DOMINION FIRST MORTGAGE CORPORATION
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 9315 CENTER STREET, SUITE 105, MANASSAS, VA TO 9970 LIBERIA AVENUE, MANASSAS, VA
BAN19980055 CONSOLIDATED MORTGAGE AND FINANCIAL SERVICES CORPORATION D/B/A MR. CASH
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT INFOSTOR, 3006 INDUSTRIAL DRIVE, RALEIGH, NC

BAN19980056 HINTON MORTGAGE CO.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 11 STONERIDGE DRIVE, SUITE 203/204, WAYNESBORO, VA TO 5 STONERIDGE DRIVE, WAYNESBORO, VA
BAN19980057 WACHOVIA BANK OF NORTH CAROLINA, N.A.
TO MERGE INTO IT JEFFERSON NATIONAL BANK
BAN19980058 WACHOVIA BANK OF NORTH CAROLINA, N.A.
TO MERGE INTO IT CENTRAL FIDELITY NATIONAL BANK
BAN19980059 CENTERPOINT MORTGAGE CORPORATION
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 22971 MILL CREEK ROAD, LAGUNA HILLS, CA TO 25B TECHNOLOGY DRIVE, SUITE 100, IRVINE, CA
BAN19980060 FIRSTPLUS FINANCIAL, INC. D/B/A FIRSTPLUS DIRECT
FOR ADDITIONAL MORTGAGE AUTHORITY
BAN19980061 PHOENIX MORTGAGE CO., INC. PHOENIX MORTGAGE OF PA
FOR A MORTGAGE LENDER'S LICENSE
BAN19980062 WACHOVIA CORPORATION
TO ACQUIRE AMERIBANK BANCSHARES, INC.
BAN19980063 AAMES FUNDING CORPORATION D/B/A AAMES HOME LOAN
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT DANIEL BUILDING, 3805 CUTSHAW AVENUE, SUITE 299, RICHMOND, VA
BAN19980064 MOUNTAIN STATES MORTGAGE CENTERS, INC.
FOR A MORTGAGE LENDER'S LICENSE
BAN19980065 SPRUANCE CELLOPHANE CREDIT UNION
TO MERGE INTO IT ICI EMPLOYEES CREDIT UNION, HOPEWELL, VA
BAN19980066 MERCANTILE BANKSHARES CORPORATION
TO ACQUIRE MARSHALL NATIONAL BANK AND TRUST COMPANY, MARSHALL, VA
BAN19980067 ONE VALLEY BANCORP, INC.
TO ACQUIRE FFVA FINANCIAL CORPORATION
BAN19980068 AMERICAN LENDING GROUP OF MARYLAND, INC.
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 19642 CLUB HOUSE ROAD, SUITE 620, GAITHERSBURG, MD TO 20010 CENTURY BOULEVARD, 4TH FLOOR, GERMANTOWN, MD
BAN19980069 EASTLAND MORTGAGE COMPANY, INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 1528 GEORGE WASHINGTON AVENUE, GLOUCESTER POINT, VA
BAN19980070 AMERINET FINANCIAL SYSTEMS, INC.
FOR A MORTGAGE LENDER'S LICENSE
BAN19980071 MONEY TREE FUNDING, L.L.C.
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 11200 ROCKVILLE PIKE, SUITE 220, ROCKVILLE, MD TO 6411 IVY LANE, SUITE 100, GREENBELT, MD
BAN19980072 WMA MORTGAGE SERVICES, INC.
TO RELOCATE MORTGAGE LENDERS'S OFFICE FROM 135 TECHNOLOGY PARKWAY, SUITE 100, NORCROSS, GA TO 11315 JOHNS CREEK PARKWAY, DULUTH, GA
BAN19980073 SOUTHERN PACIFIC FUNDING CORPORATION
TO RELOCATE MORTGAGE LENDERS'S OFFICE FROM 1 CENTERPOINTE DRIVE, SUITE 500, LAKE OSWEGO, OR TO 4949 S.W. MEADOWS DRIVE, LAKE OSWEGO, OR
BAN19980074 PHOENIX HOME MORTGAGE CORP.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 6010 EXECUTIVE BOULEVARD, SUITE 909, ROCKVILLE, MD TO 17 WEST JEFFERSON AVENUE, SUITE 103, ROCKVILLE, MD
BAN19980075 OPTION ONE MORTGAGE CORPORATION D/B/A H&R BLOCK MORTGAGE
TO OPEN MORTGAGE LENDER'S OFFICE AT 15310 BARRANCA PARKWAY, IRVINE, CA
BAN19980076 OPTION ONE MORTGAGE CORPORATION D/B/A H&R BLOCK MORTGAGE
TO OPEN A MORTGAGE LENDER'S OFFICE AT 15300 BARRANCA PARKWAY, IRVINE, CA
BAN19980077 FIRST COLONIAL BANK
TO CONVERT FIRST COLONIAL BANK, FSB TO STATE CHARTERED BANK
BAN19980078 AMERICAN GENERAL FINANCE OF AMERICA, INC.
TO RELOCATE CONSUMER FINANCE OFFICE FROM RAPPAHANNOCK SHOPPING CENTER, TAPPAHANNOCK, VA TO RT. 17 AND 360, WHITE OAK VILLAGE SHOPPING CENTER, TAPPAHANNOCK, VA
BAN19980079 AMERICAN GENERAL FINANCE, INC.
TO RELOCATE MORTGAGE LENDERS'S OFFICE FROM RAPPAHANNOCK SHOPPING CENTER, RT. 17, TAPPAHANNOCK, VA TO WHITE OAK VILLAGE SHOPPING CENTER, ROUTES 17 AND 360, TAPPAHANNOCK, VA
BAN19980080 TCE INC.
TO OPEN A CHECK CASHER AT 3806 WILLIAMSON ROAD, ROANOKE, VA
BAN19980081 FIELDSTONE MORTGAGE COMPANY
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 1801 ROCKVILLE PIKE, SUITE 360, ROCKVILLE, MD
BAN19980082 ASSOCIATES HOUSING FINANCE, LLC
FOR A MORTGAGE LENDER'S LICENSE
BAN19980083 SUPERIOR MORTGAGE CORPORATION
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 225 EAST ATLANTIC STREET, SOUTH HILL, VA TO 864 NORTH MECKLENBURG AVENUE, SOUTH HILL, VA
BAN19980084 GREEN TREE FINANCIAL SERVICING CORPORATION
TO RELOCATE MORTGAGE LENDERS'S OFFICE FROM 181 EAST MAIN STREET, SUITE 5, HENDERSONVILLE, TN TO RIVERGATE BUSINESS CENTER, 104 CUDE LANE, SUITE 160, MADISON, TN

BAN19980085 HOME SWEET HOME MORTGAGE CORPORATION
FOR A MORTGAGE BROKER'S LICENSE
BAN19980086 AKZ ENTERPRISES, INC.
FOR A MORTGAGE BROKER'S LICENSE
BAN19980087 CRESTAR BANK
TO RELOCATE OFFICE FROM 340 FLORIDA AVENUE, N.E., WASHINGTON, DC TO 500 MORSE STREET, NE, WASHINGTON, DC
BAN19980088 FIRST COMMUNITY FINANCE, INC.
TO CONDUCT CONSUMER FINANCE BUSINESS WHERE PROPERTY INSURANCE BUSINESS WILL ALSO BE CONDUCTED
BAN19980089 ADVANCED FINANCIAL SERVICES, INC.
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT ONE RESEARCH CENTER, SHELTON, CT
BAN19980090 CORNERSTONE MORTGAGE, INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 9202 BURKE ROAD, BURKE, VA
BAN19980091 METROPOLITAN MORTGAGE BANKERS, INC.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 11810 PARKLAWN DRIVE, SUITE 260, ROCKVILLE, MD TO 1717 ELTON ROAD, SILVER SPRING, MD
BAN19980092 METROPOLITAN MORTGAGE BANKERS, INC.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 8027 LEESBURG PIKE, SUITE 710, VIENNA, VA TO 4216 EVERGREEN LANE, SUITE 124, ANNANDALE, VA
BAN19980093 CRESTAR BANK
TO ESTABLISH AN EFT AT 1001 SEMMES AVENUE, RICHMOND, VA
BAN19980094 FIDELITY MORTGAGE FUNDING, INC.
TO OPEN A MORTGAGE LENDER'S OFFICE AT 7004 N. BUTLER PIKE, AMBLER, PA
BAN19980094 FIDELITY MORTGAGE FUNDING, INC. D/B/A USDIRECT MORTGAGE
TO OPEN A MORTGAGE LENDER'S OFFICE AT 7004 N. BUTLER PIKE, AMBLER, PA
BAN19980095 TIDEWATER MORTGAGE SERVICES, INC.
FOR A MORTGAGE LENDER AND BROKER LICENSE
BAN19980096 GMAC MORTGAGE CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 484 VIKING DRIVE, VIRGINIA BEACH, VA
BAN19980097 FIRST BANCORP MORTGAGE CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 327 OVER LOOK DRIVE, OCCOQUAN, VA
BAN19980098 ATLAS CAPITAL FUNDING, INC.
TO RELOCATE MORTGAGE LENDERS'S OFFICE FROM 11785 BELTSVILLE DRIVE, SUITE 150, BELTSVILLE, MD TO 11785 BELTSVILLE DRIVE, SUITE 830, BELTSVILLE, MD
BAN19980099 AMERICARE MORTGAGE CORPORATION
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 208 SILVER BROOK LANE, SUITE 101, VIRGINIA BEACH, VA TO 5257 CHALLEDON DRIVE, SUITE 200, VIRGINIA BEACH, VA
BAN19980100 MORTGAGE INVESTMENT CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT SUDLEY TOWER, 7900 SUDLEY ROAD, SUITE 418, MANASSAS, VA
BAN19980101 ATLANTIC BAY MORTGAGE GROUP, L.L.C.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 2700 VIRGINIA BEACH BOULEVARD, VIRGINIA BEACH, VA TO 2540 VIRGINIA BEACH BOULEVARD, VIRGINIA BEACH, VA
BAN19980102 AMAXIMIS LENDING, LIMITED PARTNERSHIP
FOR A MORTGAGE LENDER'S LICENSE
BAN19980103 GREENTREE MORTGAGE CORPORATION
FOR ADDITIONAL MORTGAGE AUTHORITY
BAN19980104 TOWN CENTER MORTGAGE, INC.
FOR A MORTGAGE BROKER'S LICENSE
BAN19980105 INTUIT LENDER SERVICES, INC.
FOR A MORTGAGE BROKER'S LICENSE
BAN19980106 MORTGAGE SOUTH, INC.
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 358 WEST FREEMASON STREET, SUITE 2, NORFOLK, VA
BAN19980107 VIRGINIA POWER/NORTH CAROLINA POWER CREDIT UNION
TO OPEN A CREDIT UNION SERVICE OFFICE AT ROUTE 93, MOUNT STORM, WV
BAN19980108 AMBASSADOR MORTGAGE, INC. D/B/A ACTION MORTGAGE
TO OPEN A MORTGAGE BROKER'S OFFICE AT 46308 CRANSTON STREET, SUITE 225, STERLING, VA
BAN19980109 CTX MORTGAGE COMPANY
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 2788 HYDRAULIC ROAD, CHARLOTTESVILLE, VA
BAN19980110 CTX MORTGAGE COMPANY
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 211 MCLAW'S CIRCLE, SUITE 1, WILLIAMSBURG, VA
BAN19980111 GREAT AMERICAN HOME MORTGAGE CORPORATION
TO RELOCATE MORTGAGE LENDERS'S OFFICE FROM 1275 WAMPANOAG TRAIL, EAST PROVIDENCE, RI TO TWO JEFFERSON PLACE, 100 JEFFERSON BOULEVARD, SUITE 225, WARWICK, RI
BAN19980112 FIDELITY MORTGAGE DECISIONS CORPORATION
TO OPEN A MORTGAGE LENDER'S OFFICE AT 300 TRI-STATE INTERNATIONAL, SUITE 200, LINCOLNSHIRE, IL
BAN19980113 FIDELITY MORTGAGE DECISIONS CORPORATION
TO OPEN A MORTGAGE LENDER'S OFFICE AT 10015 OLD COLUMBIA ROAD, SUITE B 215, COLUMBIA, MD
BAN19980114 FIDELITY MORTGAGE DECISIONS CORPORATION
TO OPEN A MORTGAGE LENDER'S OFFICE AT 10440 LITTLE PATUXENT PARKWAY, SUITE 937, COLUMBIA, MD

BAN19980115 SHORE FINANCIAL CORPORATION
TO ACQUIRE SHORE BANK, EXMORE, VA
BAN19980116 FIRST CENTURY BANK, NATIONAL ASSOCIATION
TO OPEN A BRANCH AT 427 VIRGINIA AVENUE, BLUEFIELD, VA
BAN19980117 HOME IMPROVEMENT ACCEPTANCE CORPORATION
FOR A MORTGAGE BROKER'S LICENSE
BAN19980118 1ST FINANCIAL FUNDING CORP.
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 1401 HUGUENOT ROAD, SUITE 211, MIDLOTHIAN, VA TO 13807 VILLAGE MILL DRIVE, SUITE 311, MIDLOTHIAN, VA
BAN19980119 INTERSOUTH MORTGAGE, INC.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 2221 NEWMARKET PARKWAY, SUITE 134, MARIETTA, GA TO 2810 NEW SPRING ROAD, SUITE 108, ATLANTA, GA
BAN19980120 R & W SOUTHSIDE MORTGAGE, INC.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM VALLEY STREET MIDWAY BETWEEN BYRD ST., SCOTTSVILLE, VA TO RT. 2, BOX 5685, STATE ROUTE 662, SCOTTSVILLE, VA
BAN19980121 NVX, INCORPORATED
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 6911 RICHMOND HIGHWAY, SUITE 310, ALEXANDRIA, VA TO 3409 SUNNY VIEW DRIVE, ALEXANDRIA, VA
BAN19980122 CAPITOL PROPERTIES MANAGEMENT GROUP, L.L.C. D/B/A THE MORTGAGE COMPANY
FOR A MORTGAGE BROKER'S LICENSE
BAN19980123 ASSOCIATES FINANCIAL SERVICES OF AMERICA, INC.
TO RELOCATE MORTGAGE LENDERS'S OFFICE FROM 318 OYSTER POINT ROAD, SUITE 7, NEWPORT NEWS, VA TO 12785 JEFFERSON AVENUE, NEWPORT NEWS, VA
BAN19980124 ASSOCIATES FINANCIAL SERVICES COMPANY OF VIRGINIA, INC.
TO RELOCATE CONSUMER FINANCE OFFICE FROM 318 OYSTER POINT ROAD, SUITE 7, NEWPORT NEWS, VA TO 12785 JEFFERSON AVENUE, NEWPORT NEWS, VA
BAN19980125 F & M BANK - RICHMOND
TO MERGE INTO IT PEOPLES BANK OF VIRGINIA
BAN19980126 HERITAGE BANK
TO OPEN A BRANCH AT UNIT 6, HERITAGE PLAZA, PIDGEON HILL DRIVE, STERLING, VA
BAN19980127 HIGHLANDS UNION BANK
TO OPEN A BRANCH AT 506 MAPLE STREET, GLADE SPRING, VA
BAN19980128 CORNERSTONE MORTGAGE, INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 800 SUNSET LANE, SUITE C, CULPEPER, VA
BAN19980129 SPANIOL, TIMOTHY J. T/A 1ST SOUTHERN MORTGAGE
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 807 WATCH HILL ROAD, MIDLOTHIAN, VA TO 2805 MCRAE ROAD, SUITE A, RICHMOND, VA
BAN19980130 MORTGAGE BANK, L.C., THE
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 14302 ROSY LANE, SUITE 34, CENTREVILLE, VA TO 2216 MOUNT VERNON AVENUE, SUITE 4, ALEXANDRIA, VA
BAN19980131 BANK OF SUFFOLK
TO OPEN A BRANCH AT 1514 HOLLAND ROAD, SUFFOLK, VA
BAN19980132 CRESTAR BANK
TO ESTABLISH AN EFT AT SWEETBRIAR COLLEGE, HIGHWAY 29, SWEETBRIAR, VA
BAN19980133 CHESAPEAKE 1ST MORTGAGE CORPORATION (USED IN VA BY: CHESAPEAKE MORTGAGE CORPORATION)
TO OPEN A MORTGAGE BROKER'S OFFICE AT 2750 KILLARNEY DRIVE, SUITE 205, WOODBRIDGE, VA
BAN19980134 HORIZON BANK OF VIRGINIA, THE
TO OPEN A BRANCH AT 7857 HERITAGE DRIVE, ANNANDALE, VA
BAN19980135 COMMUNITY DEVELOPMENT GROUP INC. OF DELAWARE T/A COMMUNITY MORTGAGE COMPANY
TO OPEN A MORTGAGE BROKER'S OFFICE AT 7023 LITTLE RIVER TURNPIKE, SUITE 203, ANNANDALE, VA
BAN19980136 FUTURE LINK 2000, INCORPORATED D/B/A FUTURE LINK FUNDING
FOR A MORTGAGE BROKER'S LICENSE
BAN19980137 AEGIS MORTGAGE CORPORATION
TO RELOCATE MORTGAGE LENDERS'S OFFICE FROM 2500 CITY, WEST BOULEVARD, SUITE 1200, HOUSTON, TX TO 11111 WILCREST GREEN, SUITE 250, HOUSTON, TX
BAN19980138 AMERICORP FINANCIAL SERVICES, INC.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 10560 MAIN STREET, SUITE 202, FAIRFAX, VA TO 3251 OLD LEE HIGHWAY, SUITE 511, FAIRFAX, VA
BAN19980139 HARBOR FINANCIAL MORTGAGE CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 10300 EATON PLACE, SUITE 170, FAIRFAX, VA
BAN19980140 CRESTAR BANK
TO OPEN A BRANCH AT 6075 GORGAS ROAD, FORT BELVOIR, VA
BAN19980141 HARBOR FINANCIAL MORTGAGE CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 7 LOUDOUN STREET, S.E., LEESBURG, VA
BAN19980142 COMMUNITY HOME MORTGAGE CORPORATION
FOR A MORTGAGE LENDER'S LICENSE
BAN19980143 FIRST BANK AND TRUST COMPANY, THE
TO ESTABLISH AN EFT AT 18144 LEE HIGHWAY, ABINGDON, VA
BAN19980144 SOURCE ONE FINANCIAL SERVICES, INC.
FOR A MORTGAGE BROKER'S LICENSE

BAN19980145 BNC MORTGAGE, INC.
FOR ADDITIONAL MORTGAGE AUTHORITY
BAN19980146 CITYSCAPE CORP.
TO OPEN A MORTGAGE LENDER'S OFFICE AT 5600 ROSWELL ROAD, SUITE 110N, ATLANTA, GA
BAN19980147 CARTERET MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 210 MANOR ROAD, FRONT ROYAL, VA
BAN19980148 RESIDENTIAL FUNDING CORPORATION
TO OPEN A CONSUMER FINANCE OFFICE
BAN19980149 MOUNTAIN EMPIRE MORTGAGE BROKER, INC.
FOR A MORTGAGE BROKER'S LICENSE
BAN19980150 ACCREDITED HOME LENDERS, INC.
TO OPEN A MORTGAGE LENDER'S OFFICE AT 6935 FLANDERS DRIVE, SAN DIEGO, CA
BAN19980151 CONSUMER CREDIT COUNSELING SERVICE OF SOUTHWESTERN VIRGINIA, INC.
TO OPEN AN ADDITIONAL DEBT COUNSELING OFFICE AT 3536 BRAMBLETON AVE., S.W., SUITE 10, ROANOKE, VA
BAN19980152 POTOMAC BANK OF VIRGINIA
TO OPEN A BANK AT 133 MAPLE AVENUE EAST, VIENNA, VA
BAN19980153 FIRST VIRGINIA BANK OF TIDEWATER
TO OPEN A BRANCH AT 1521 SAMS CIRCLE, CHESAPEAKE, VA
BAN19980154 MORTGAGE SOURCE, INC.
FOR ADDITIONAL MORTGAGE AUTHORITY
BAN19980155 HALLMARK GOVERMENT MORTGAGE, INC.
FOR A MORTGAGE LENDER AND BROKER LICENSE
BAN19980156 CALIBRE FUNDING CORPORATION
FOR A MORTGAGE BROKER'S LICENSE
BAN19980157 MORTIMER, JOHN G. T/A PROVIDENCE MORTGAGE
FOR A MORTGAGE BROKER'S LICENSE
BAN19980158 JAMES RIVER BANKSHARES, INC.
TO ACQUIRE FIRST COLONIAL BANK
BAN19980159 SHUMWAY, SCOT D. D/B/A PROVIDENT FUNDING GROUP
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 216 BRISTOL DOWNS DRIVE, GAITHERSBURG, MD TO 9320 ANNAPOLIS ROAD, SUITE 320, LANHAM, MD
BAN19980160 ORDER EXPRESS, INC.
FOR A MONEY ORDER LICENSE
BAN19980161 INNOVATIVE MORTGAGE CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 104 KESWICK DRIVE, LYNCHBURG, VA
BAN19980162 GMAC MORTGAGE CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 5975 GREENWOOD PLAZA BOULEVARD, ENGLEWOOD, CO
BAN19980163 GMAC MORTGAGE CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 433 SOUTH MAIN STREET, WEST HARTFORD, CT
BAN19980164 GMAC MORTGAGE CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 5544 FRANKLIN ROAD, NASHVILLE, TN
BAN19980165 GMAC MORTGAGE CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 9501 W. 144TH PLACE, ORLAND PARK, IL
BAN19980166 GMAC MORTGAGE CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 275 FOREST AVENUE, PARAMUS, NJ
BAN19980167 GMAC MORTGAGE CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 300 CONGRESS STREET, QUINCY, MA
BAN19980168 GMAC MORTGAGE CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 11707 E. SPRAGUE, SPOKANE, WA
BAN19980169 GMAC MORTGAGE CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 10324 LADUE ROAD, ST. LOUIS, MO
BAN19980170 GMAC MORTGAGE CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 3450 BUSCHWOOD PARK DRIVE, TAMPA, FL
BAN19980171 HEADLANDS MORTGAGE COMPANY
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 811 CHURCH ROAD, SUITE 209, CHERRY HILL, NJ TO 3000 ATRIUM WAY, SUITE 430, MT. LAUREL, NJ
BAN19980172 HEADLANDS MORTGAGE COMPANY
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 1100 LARKSPUR LANDING CIRCLE, SUITE 101, LARKSPUR, CA
BAN19980173 DYNEX FINANCIAL, INC.
TO OPEN A MORTGAGE LENDER'S OFFICE AT 4121 COX ROAD, SUITE 120A, GLEN ALLEN, VA
BAN19980174 HOME LOAN CORPORATION
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 11835 CANON BOULEVARD, #A102, NEWPORT NEWS, VA TO 736 THIMBLE SHOALS BLVD., SUITE A, NEWPORT NEWS, VA
BAN19980175 KHOSLA, ASHISH
TO ACQUIRE 100 PERCENT OF GLOBAL MORTGAGE NETWORK INC.
BAN19980176 GLOBAL MORTGAGE NETWORK INC. T/A METRO CAPITAL CORP.
FOR ADDITIONAL MORTGAGE AUTHORITY
BAN19980177 ISLAND MORTGAGE NETWORK INC. D/B/A 1ST POTOMAC MORTGAGE
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 804 MOOREFIELD PARK DRIVE, SUITE 202, RICHMOND, VA

BAN19980178 ISLAND MORTGAGE NETWORK INC. D/B/A 1ST POTOMAC MORTGAGE
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 4000 LEGATO ROAD, FAIRFAX, VA
BAN19980179 HOME SECURITY MORTGAGE CORP.
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 900 NELMS COURT, UNIT 704, FREDERICKSBURG, VA
BAN19980180 FIRST MORTGAGE NETWORK, INC. D/B/A AMERICAN FINANCE & INVESTMENT
FOR A MORTGAGE LENDER'S LICENSE
BAN19980181 MORTGAGE ACCESS CORP.
TO RELOCATE MORTGAGE LENDERS'S OFFICE FROM 1625 ROUTE 10 EAST, MORRIS PLAINS, NJ TO 225 LITTLETON ROAD, MORRIS PLAINS, NJ
BAN19980182 AMERICAN BUSINESS CREDIT OF PENNSYLVANIA, INC.
TO ACQUIRE 100 PERCENT OF NEW JERSEY MORTGAGE AND INVESTMENT CORP.
BAN19980183 ACCESS MORTGAGE INC.
FOR A MORTGAGE BROKER'S LICENSE
BAN19980184 CONSUMER CREDIT COUNSELING SERVICE OF GREATER WASHINGTON, INC.
TO OPEN AN ADDITIONAL DEBT COUNSELING OFFICE AT 100 N. WASHINGTON STREET, SUITE 313, FALLS CHURCH, VA
BAN19980185 ASSOCIATES HOME EQUITY SERVICES, INC.
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 105 DECKER DRIVE, IRVING, TX TO 8333 RIDGEPOINT DRIVE, IRVING, TX
BAN19980186 IVY MORTGAGE CORP.
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 8201 GREENSBORO DRIVE, TYSON'S CORNER, VA TO 6208 MOCKINGBIRD POND TERRACE, BURKE, VA
BAN19980187 MARATHON CAPITAL INVESTMENT CORPORATION
FOR A MORTGAGE BROKER'S LICENSE
BAN19980188 METROPOLITAN HOME MORTGAGE CORPORATION OF NEW YORK
FOR A MORTGAGE LENDER'S LICENSE
BAN19980189 FIRST CAPITAL BANK
TO OPEN A BANK AT 4101 DOMINION BOULEVARD, HENRICO COUNTY, VA
BAN19980190 COMMUNITY DEVELOPMENT GROUP INC. OF DELAWARE T/A COMMUNITY MORTGAGE COMPANY
TO OPEN A MORTGAGE BROKER'S OFFICE AT 4900 SEMINARY ROAD, SUITE 105, ALEXANDRIA, VA
BAN19980191 FIRST NATIONAL BANK OF MARYLAND
TO OPEN A BRANCH AT 21700 TOWN CENTER PLAZA, STERLING, VA
BAN19980192 CENTURA BANK
TO OPEN A BRANCH AT 5237 PROVIDENCE ROAD, SUITE 975, VIRGINIA BEACH, VA
BAN19980193 CENTURA BANK
TO OPEN A BRANCH AT 5601 HIGH STREET WEST, PORTSMOUTH, VA
BAN19980194 CENTURA BANK
TO OPEN A BRANCH AT 101 VILLAGE AVENUE, YORK COUNTY, VA
BAN19980195 MOLTON, ALLEN & WILLIAMS CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 10475 ARMSTRONG STREET, FAIRFAX, VA
BAN19980196 PACIFIC GUARANTEE MORTGAGE CORPORATION
FOR A MORTGAGE LENDER AND BROKER LICENSE
BAN19980197 CAPITAL PLUS CORPORATION
FOR A MORTGAGE LENDER'S LICENSE
BAN19980198 CROSSWHITE, HEDWIG KATHARINA
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 5720 WILLIAMSON ROAD, SUITE 103, ROANOKE, VA TO 5034 HEARTHSTONE ROAD, ROANOKE, VA
BAN19980199 COTSAMIRE, LESLIE JAMES
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 5720 WILLIAMSBURG ROAD, SUITE 103, ROANOKE, VA TO 5034 HEARTHSTONE ROAD, ROANOKE, VA
BAN19980200 FIRSTPLUS FINANCIAL, INC. D/B/A FIRSTPLUS DIRECT
TO OPEN A MORTGAGE LENDER'S OFFICE AT 2363 S. FOOTHILL DRIVE, SALT LAKE CITY, UT
BAN19980201 FIRST AMERICAN MORTGAGE SERVICES, INC.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 13198 CENTERPOINTE WAY, SUITE 101, WOODBRIDGE, VA TO 13198 CENTERPOINTE WAY, SUITE 202, WOODBRIDGE, VA
BAN19980202 AAMES FUNDING CORPORATION D/B/A AAMES HOME LOAN
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM DANIEL BUILDING, 3805 CUTSHAW AVENUE, RICHMOND, VA TO 8003 FRANKLIN FARMS DRIVE, SUITE 102, RICHMOND, VA
BAN19980203 MORTGAGE LENDERS ASSOCIATION, INC.
TO RELOCATE MORTGAGE LENDERS'S OFFICE FROM 1401 GREENBRIER PARKWAY, SUITE 150-A, CHESAPEAKE, VA TO 410 WARE BOULEVARD, SUITE 401, TAMPA, FL
BAN19980204 FIDELITY TRUST MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 1 VALE ROAD, SUITE 100, BEL AIR, MD
BAN19980205 CHESAPEAKE INVESTMENT & MORTGAGE CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 22043 THREE NOTCH ROAD, LEXINGTON PARK, MD
BAN19980206 MASON DIXON FUNDING, INC.
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 8300 BOONE BOULEVARD, SUITE 500, VIENNA, VA TO 8290-D OLD COURTHOUSE ROAD, VIENNA, VA
BAN19980207 ASSOCIATES HOME EQUITY SERVICES, INC.
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 200 CHAUNCY STREET, MANSFIELD, MA TO 114 TURNPIKE ROAD, #101, WESTBOROUGH, MA

BAN19980208 MORTGAGE SOLUTIONS, INC.
FOR A MORTGAGE BROKER'S LICENSE
BAN19980209 CRESTAR BANK
TO OPEN A BRANCH AT POTOMAC RUN SHOPPING CENTER, CORNER OF HARRY BYRD HIGHWAY AND BARTHOLOMEW FAIR DR., STERLING, VA
BAN19980210 EXECUTIVE LENDING SERVICES, INC.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 4041 UNIVERSITY DRIVE, SUITE 303, FAIRFAX, VA TO 4041 UNIVERSITY DRIVE, SUITE 500, FAIRFAX, VA
BAN19980211 AMERICA'S MONEYLINE, INC.
TO OPEN A MORTGAGE LENDER'S OFFICE AT 3602 DEEPWATER TERMINAL, RICHMOND, VA
BAN19980212 CARTERET MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 6347 CAROLYN DRIVE, FALLS CHURCH, VA
BAN19980213 CARTERET MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 3540 RIVER HEIGHTS CROSSING, MARIETTA, GA
BAN19980214 GEORGE MASON BANK, THE
TO ESTABLISH AN EFT AT 3401 N. FAIRFAX DRIVE, ARLINGTON COUNTY, VA
BAN19980215 GEORGE MASON BANK, THE
TO ESTABLISH AN EFT AT 10900 UNIVERSITY BOULEVARD, MANASSAS, VA
BAN19980216 GEORGE MASON BANK, THE
TO ESTABLISH AN EFT AT 4400 UNIVERSITY DRIVE, FAIRFAX COUNTY, VA
BAN19980217 GEORGE MASON BANK, THE
TO ESTABLISH AN EFT AT 2900 EAST CAPITAL STREET, S.E., WASHINGTON, DC
BAN19980218 DECISIONONE MORTGAGE COMPANY, LLC
TO OPEN A MORTGAGE LENDER'S OFFICE AT NORTH POINT OFFICE PARK, 200 GIBRALTAR ROAD, SUITE 101, HORSHAM, PA
BAN19980219 DECISIONONE MORTGAGE COMPANY, LLC
TO OPEN A MORTGAGE LENDER'S OFFICE AT THE SUMMIT AT WARWICK EXECUTIVE PARK, 300 CENTERVILLE ROAD, WARWICK, RI
BAN19980220 GE CAPITAL MORTGAGE SERVICES, INC.
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 2301 DUPONT DRIVE, SUITE 200, IRVINE, CA
BAN19980221 GE CAPITAL MORTGAGE SERVICES, INC.
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 625 MARYVILLE CENTRE DRIVE, ST. LOUIS, MO
BAN19980222 GE CAPITAL MORTGAGE SERVICES, INC.
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 2000 W. LOOP SOUTH, SUITE 1300, HOUSTON, TX
BAN19980223 FIRST EQUITABLE MORTGAGE AND INVESTMENT COMPANY, INCORPORATED
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 601 CAROLINE STREET, SUITE 205, FREDERICKSBURG, VA TO 601 CAROLINE STREET, SUITE 600, FREDERICKSBURG, VA
BAN19980224 UNION BANK AND TRUST COMPANY
TO OPEN A BRANCH AT 2811 FALL HILL AVENUE, FREDERICKSBURG, VA
BAN19980225 NOVA MORTGAGE CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 6801 WHITTIER AVENUE, SUITE 301, MCLEAN, VA
BAN19980226 COLONIAL MORTGAGE GROUP, L.L.C.
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 30 CHURCH STREET, SUITE 302, PRINCE FREDERICK, MD
BAN19980227 FIRST PACIFIC FINANCIAL, INC.
FOR A MORTGAGE LENDER'S LICENSE
BAN19980228 FAIRWAY INDEPENDENT MORTGAGE CORPORATION
FOR A MORTGAGE BROKER'S LICENSE
BAN19980229 FIRSTPLUS FINANCIAL, INC. D/B/A FIRSTPLUS DIRECT
TO OPEN A MORTGAGE LENDER'S OFFICE AT 7100 E. BELLEVIEW AVENUE, SUITE 111, GREENWOOD VILLAGE, CO
BAN19980230 FIRSTPLUS FINANCIAL, INC. D/B/A FIRSTPLUS DIRECT
TO OPEN A MORTGAGE LENDER'S OFFICE AT 801 E. MOREHEAD STREET, SUITE 306, CHARLOTTE, NC
BAN19980231 FIRSTPLUS FINANCIAL, INC. D/B/A FIRSTPLUS DIRECT
TO OPEN A MORTGAGE LENDER'S OFFICE AT 7340 SIX FORKS ROAD, SUITE 100, RALEIGH, NC
BAN19980232 FIRSTPLUS FINANCIAL, INC. D/B/A FIRSTPLUS DIRECT
TO OPEN A MORTGAGE LENDER'S OFFICE AT 1407 YORK ROAD, SUITE 204, LUTHERVILLE, MD
BAN19980233 FIRSTPLUS FINANCIAL, INC. D/B/A FIRSTPLUS DIRECT
TO OPEN A MORTGAGE LENDER'S OFFICE AT 12700 SHELBYVILLE ROAD, DANVILLE, KY
BAN19980234 FIRSTPLUS FINANCIAL, INC. D/B/A FIRSTPLUS DIRECT
TO OPEN A MORTGAGE LENDER'S OFFICE AT 140 STONERIDGE DRIVE, SUITE 310, COLUMBIA, SC
BAN19980235 FIRSTPLUS FINANCIAL, INC. D/B/A FIRSTPLUS DIRECT
TO OPEN A MORTGAGE LENDER'S OFFICE AT 2185 B ASHLEY PHOSPHATE ROAD, SUITE B, CHARLESTON, SC
BAN19980236 FIRSTPLUS FINANCIAL, INC. D/B/A FIRSTPLUS DIRECT
TO OPEN A MORTGAGE LENDER'S OFFICE AT 109 LAURENS ROAD, SUITE 3-C, GREENVILLE, SC
BAN19980237 FIRSTPLUS FINANCIAL, INC. D/B/A FIRSTPLUS DIRECT
TO OPEN A MORTGAGE LENDER'S OFFICE AT 1331 ELMWOOD AVENUE, COLUMBIA, SC
BAN19980238 HARBOR FINANCIAL MORTGAGE CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 2275 RESEARCH BOULEVARD, SUITE 430, ROCKVILLE, MD
BAN19980239 PREFERRED MORTGAGE GROUP, INC. D/B/A PREFERRED SERVICE MORTGAGE
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 465 MAPLE AVENUE WEST, SUITE A, VIENNA, VA
BAN19980240 PREFERRED MORTGAGE GROUP, INC. D/B/A PREFERRED SERVICE MORTGAGE
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 11890 SUNRISE VALLEY DRIVE, RESTON, VA

BAN19980241 PREFERRED MORTGAGE GROUP, INC. D/B/A PREFERRED SERVICE MORTGAGE
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 6858 OLD DOMINION DRIVE, MCLEAN, VA
BAN19980242 PREFERRED MORTGAGE GROUP, INC. D/B/A PREFERRED SERVICE MORTGAGE
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 7220-B COLUMBIA PIKE, ANNANDALE, VA
BAN19980243 OLD TOWN FINANCIAL CORP. D/B/A RAMSAY MORTGAGE COMPANY
TO OPEN A MORTGAGE BROKER'S OFFICE AT 812 MOOREFIELD PARK DRIVE, SUITE 110, RICHMOND, VA
BAN19980244 ACCREDITED HOME LENDERS, INC.
TO OPEN A MORTGAGE LENDER'S OFFICE AT THREE PARK PLAZA, 16TH FOOR, IRVINE, CA
BAN19980245 FAMILY SERVICES OF TIDEWATER, INC. D/B/A CONSUMER FINANCIAL COUNSELING OF TIDEWATER
TO OPEN AN ADDITIONAL DEBT COUNSELING OFFICE AT 209 N. COLLEGE DRIVE, FRANKLIN, VA
BAN19980246 HARBOUR CREDIT COUNSELING SERVICES, INC.
TO OPEN AN ADDITIONAL DEBT COUNSELING OFFICE AT 397 LITTLE NECK ROAD, BUILDING 3400, SUITE 108, VIRGINIA BEACH, VA
BAN19980247 PIERUCCI INC. D/B/A SUNSET MORTGAGE COMPANY
FOR A MORTGAGE BROKER'S LICENSE
BAN19980248 COMMUNITY MORTGAGE SERVICES, INC.
FOR A MORTGAGE BROKER'S LICENSE
BAN19980249 HOME LOAN CORPORATION
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 202D PACKETS COURT, WILLIAMSBURG, VA TO 161-A JOHN JEFFERSON ROAD, WILLIAMSBURG, VA
BAN19980250 FIRST GREENSBORO HOME EQUITY, INC.
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 1919 COMMERCE DRIVE, SUITE 450, HAMPTON, VA TO 1919 COMMERCE DRIVE, SUITE 120, PINEWOOD PLAZA, HAMPTON, VA
BAN19980251 BB&T CORPORATION
TO ACQUIRE FRANKLIN BANCORPORATION INC., WASHINGTON, DC
BAN19980252 VIRGINIA BANK AND TRUST COMPANY
TO OPEN A BRANCH AT CORNER OF THE INTERSECTION OF FRANKLIN TURNPIKE AND MOUNT HERMON CIRCLE, PITTSYLVANIA COUNTY, VA
BAN19980253 BANK OF ROCKBRIDGE
TO OPEN A BRANCH AT LEXINGTON CROSSING, U.S. RT. 11, NORTH WALMART SUPERCENTER, ROCKBRIDGE COUNTY, VA
BAN19980254 FIRST COLONIAL MORTGAGE OF NJ, INC.
TO OPEN A MORTGAGE LENDER'S OFFICE AT 95 ROUTE 17 SOUTH, PARAMUS, NJ
BAN19980255 FIRST COLONIAL MORTGAGE OF NJ, INC.
TO OPEN A MORTGAGE LENDER'S OFFICE AT 188 LINCOLN HIGHWAY, FAIRLESS, PA
BAN19980256 BROWN, JOHNNY F. T/A JF BUSINESS, FUNDING & FINANCE
TO OPEN A MORTGAGE BROKER'S OFFICE AT 1810 MICHAEL FARADAY DRIVE, SUITE 102, RESTON, VA
BAN19980257 BRANCH BANKING AND TRUST COMPANY OF VIRGINIA
TO MERGE INTO IT LIFE SAVINGS BANK, F.S.B.
BAN19980258 MONEY LENDERS, INC.
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 2317 MEMORIAL AVENUE, SUITE E, ROANOKE, VA
BAN19980259 MORTGAGE ONE, INC.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 11821 PARKLAWN DRIVE, SUITE 110, ROCKVILLE, MD TO 6290 MONTROSE ROAD, ROCKVILLE, MD
BAN19980260 MAK FINANCIAL GROUP, INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 11512 ALLECINGIE PARKWAY, SUITE C, RICHMOND, VA
BAN19980261 F&M BANK-NORTHERN VIRGINIA
TO MERGE INTO IT THE BANK OF ALEXANDRIA
BAN19980262 FIRST VIRGINIA BANK-PIEDMONT
TO OPEN A BRANCH AT 143 CROWN DRIVE, DANVILLE, VA
BAN19980263 FIRST VIRGINIA BANK - SOUTHWEST
TO OPEN A BRANCH AT 313 WEST THACKER DRIVE, RIVERBEND MALL, COVINGTON, VA
BAN19980264 FAIRLAND MORTGAGE COMPANY, INC.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 7620 LITTLE RIVER TURNPIKE, SUITE 608, ANNANDALE, VA TO 4306 EVERGREEN LANE, SUITE 202, ANNANDALE, VA
BAN19980265 REALCO FUNDING GROUP, LC
TO RELOCATE MORTGAGE LENDERS'S OFFICE FROM 7620 LITTLE RIVER TURNPIKE, SUITE 608, ANNANDALE, VA TO 4306 EVERGREEN LANE, SUITE 202, ANNANDALE, VA
BAN19980266 WILMINK, MARY M.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 131 DARK RUN ROAD, LOT 6, ELLISTON, VA TO 1314 PETERS CREEK ROAD, N.W., SUITE 241B, ROANOKE, VA
BAN19980267 RESIDENTIAL PROFESSIONAL MORTGAGE, L.L.C.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 303 MACE HILL STREET, VIRGINIA BEACH, VA TO 510 S. INDEPENDENCE BOULEVARD, SUITE 202, VIRGINIA BEACH, VA
BAN19980268 LOUDOUN CREDIT UNION
TO RELOCATE CREDIT UNION OFFICE FROM 224 E. SOUTH KING STREET, LEESBURG, VA TO 122-A SOUTH STREET, S.E., LEESBURG, VA
BAN19980269 CONSUMER FUNDING, INC.
FOR A MORTGAGE BROKER'S LICENSE

BAN19980270 LANDMARK MORTGAGE, INC.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 46308 CRANSTON STREET, SUITE 275, STERLING, VA TO 694 OLD HUNT WAY, HERNDON, VA
BAN19980271 SUTTER MORTGAGE CORPORATION D/B/A VIRTUAL MORTGAGE TRANSACTION NETWORK
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 1320 OLD CHAIN BRIDGE ROAD, MCLEAN, VA
BAN19980272 SUTTER MORTGAGE CORPORATION D/B/A VIRTUAL MORTGAGE TRANSACTION NETWORK
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 4720 LEE HIGHWAY, ARLINGTON, VA
BAN19980273 SUTTER MORTGAGE CORPORATION D/B/A VIRTUAL MORTGAGE TRANSACTION NETWORK
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 109 S. PITT STREET, ALEXANDRIA, VA
BAN19980274 HORIZON FINANCIAL SERVICES, INC.
FOR A MORTGAGE BROKER'S LICENSE
BAN19980275 UNION FINANCIAL CORPORATION
TO RELOCATE MORTGAGE LENDERS'S OFFICE FROM 3090 SOUTH BRISTOL STREET, SUITE 190, COSTA MESA, CA TO 18002 SKY PARK CIRCLE, IRVINE, CA
BAN19980276 NEWPORT NEWS SHIPBUILDING EMPLOYEES' CREDIT UNION, INC.
TO OPEN A CREDIT UNION SERVICE OFFICE AT 1290 BENN'S CHURCH BOULEVARD, SMITHFIELD, VA
BAN19980277 HARBOR FINANCIAL MORTGAGE CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 905 WEST 27TH STREET, SCOTTS BLUFF, NE
BAN19980278 ASSOCIATES HOME EQUITY SERVICES, INC.
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 8845 GOVERNORS HILL DRIVE, SUITE 220, CINCINNATI, OH
BAN19980279 NF INVESTMENTS, INC.
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 1815 N EXPRESSWAY, SUITE J, GRIFFIN, GA TO 1669 PHOENIX PARKWAY, SUITE 150, ATLANTA, GA
BAN19980280 PARAMOUNT MORTGAGE SERVICES, INC.
FOR A MORTGAGE LENDER'S LICENSE
BAN19980281 HARBOR FINANCIAL MORTGAGE CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 13140 MIDLOTHIAN TURNPIKE, SUITE 19, MIDLOTHIAN, VA
BAN19980282 INDEPENDENT REALTY CAPITAL CORPORATION
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 132 SOUTH ANITA DRIVE, SUITE 200, ORANGE, CA TO 2401 EAST KATELLA AVENUE, SUITE 500, ANAHEIM, CA
BAN19980283 PRESIDENTIAL GROUP, INC. D/B/A HOME FINANCE OF AMERICA
FOR A MORTGAGE LENDER'S LICENSE
BAN19980284 FIELDSTONE HOLDINGS CORP.
TO ACQUIRE 100 PERCENT OF FIELDSTONE MORTGAGE COMPANY
BAN19980285 CHESAPEAKE BANK
TO ESTABLISH AN EFT AT 2824 WHITE CHAPEL ROAD, LIVELY, VA
BAN19980286 PLANTERS BANK & TRUST COMPANY OF VIRGINIA
TO OPEN A BRANCH AT 100 LUCY LANE, WAYNESBORO, VA
BAN19980287 PLANTERS BANK & TRUST COMPANY OF VIRGINIA
TO OPEN A BRANCH AT 375 NORTH MASON STREET, HARRISONBURG, VA
BAN19980288 NATIONAL HOME LOAN CORPORTATION
FOR A MORTGAGE LENDER AND BROKER LICENSE
BAN19980289 THOMAS, JAMES DAY
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 2401 RESEARCH BOULEVARD, SUITE 210, ROCKVILLE, MD TO 2856 DOVER LANE, SUITE 304, FALLS CHURCH, VA
BAN19980290 HARBOR BANK
TO OPEN A BRANCH AT 14801 WARWICK BOULEVARD, NEWPORT NEWS, VA
BAN19980291 ATLANTIC BAY MORTGAGE GROUP, L.L.C.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 7814 CAROUSEL LANE, SUITE 300, RICHMOND, VA
BAN19980292 CROSSTATE MORTGAGE & INVESTMENTS INC.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 806 NEWTOWN ROAD, VIRGINIA BEACH, VA TO 1529 STILL HARBOR LANE, VIRGINIA BEACH, VA
BAN19980293 GMAC MORTGAGE CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 6600 N. ANDREWS AVENUE, FT. LAUDERDALE, FL
BAN19980294 CARDINAL FINANCIAL CORPORATION
TO ACQUIRE CARDINAL BANK, N.A.
BAN19980295 OLYMPIA MORTGAGE CORP.
TO RELOCATE MORTGAGE LENDERS'S OFFICE FROM 3400 ACORN STREET, WILLIAMSBURG, VA TO 1528 GEORGE WASHINGTON MEMORIAL HIGHWAY, GLOUCESTER, VA
BAN19980296 FIRST VIRGINIA BANK-MOUNTAIN EMPIRE
TO OPEN A BRANCH AT KROGER SUPERMARKET, GATE CITY HIGHWAY AND MIDWAY STREET, BRISTOL, VA
BAN19980297 INOCENCIO, IVY K. D/B/A SUNNY VIEW MORTGAGE GROUP
FOR A MORTGAGE BROKER'S LICENSE
BAN19980298 EXECUTIVE LENDING SERVICES, INC.
FOR ADDITIONAL MORTGAGE AUTHORITY
BAN19980299 RIVERSIDE FUNDING CORPORATION OF NORTHERN VIRGINIA
FOR A MORTGAGE BROKER'S LICENSE
BAN19980300 FIDELITY TRUST MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 620 MOOREFIELD PARK DRIVE, SUITE 130, RICHMOND, VA
BAN19980301 CRESTAR BANK
TO OPEN A BRANCH AT 3507 WEST CARY STREET, RICHMOND, VA

BAN19980302 NEW AMERICA FINANCIAL INCORPORATED
TO RELOCATE MORTGAGE LENDERS'S OFFICE FROM 10300 EATON PLACE, FAIRFAX, VA TO 5303 CHRYSLER WAY, UPPER MARLBORO, MD
BAN19980303 FIDELITY GROUP, INC., THE D/B/A 1ST REPUBLIC FUNDING, A DIVISION OF THE FIDELITY GROUP
FOR A MORTGAGE LENDER AND BROKER LICENSE
BAN19980304 PRINCIPAL FUNDING GROUP, LLC
FOR A MORTGAGE BROKER'S LICENSE
BAN19980305 CENTURY FINANCIAL GROUP, INC.
FOR A MORTGAGE LENDER AND BROKER LICENSE
BAN19980306 SHUMWAY, SCOT D. D/B/A PROVIDENT FUNDING GROUP
TO OPEN A MORTGAGE BROKER'S OFFICE AT 5105-P BACKLICK ROAD, ANNANDALE, VA
BAN19980307 FIDELITY MORTGAGE FUNDING, INC. D/B/A USDIRECT MORTGAGE
TO OPEN A MORTGAGE LENDER'S OFFICE AT 1000 ATRIUM WAY, SUITE 100, MT. LAUREL, NJ
BAN19980308 FIDELITY MORTGAGE FUNDING, INC. D/B/A USDIRECT MORTGAGE
TO OPEN A MORTGAGE LENDER'S OFFICE AT 1400 N. PROVIDENCE ROAD, SUITE 412, MEDIA, PA
BAN19980309 GUARANTY BANK
TO OPEN A BRANCH AT 1022 WEST MAIN STREET, CHARLOTTESVILLE, VA
BAN19980310 GMAC MORTGAGE CORPORATION
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 275 FOREST AVENUE, PARAMUS, NJ TO 45 EISENHOWER DRIVE, PARAMUS, NJ
BAN19980311 GMAC MORTGAGE CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 1825 K STREET, WASHINGTON, DC
BAN19980312 GMAC MORTGAGE CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 8804 N. 23RD STREET, PHOENIX, AZ
BAN19980313 ROCUDA FINANCE CO.
TO OPEN A CONSUMER FINANCE OFFICE
BAN19980314 CENTRAL CAROLINA BANK AND TRUST COMPANY
TO OPEN A BRANCH AT 4551 COX ROAD, HENRICO COUNTY, VA
BAN19980315 MORTGAGE LOAN SERVICES, INC.
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 223 MAIN STREET, FRANKLIN, VA
BAN19980316 SEBECK, JOANNE C. D/B/A CANNON MORTGAGE
FOR A MORTGAGE BROKER'S LICENSE
BAN19980317 FIRST HERITAGE MORTGAGE COMPANY
TO OPEN A MORTGAGE BROKER'S OFFICE AT 916 BROOKDALE ROAD, SUITE 1, MARTINSVILLE, VA
BAN19980318 PARADIGM MORTGAGE SERVICES, INC.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 1010 WAYNE AVENUE, SUITE 555, SILVER SPRING, MD TO 1010 WAYNE AVENUE, SUITE 640, SILVER SPRING, MD
BAN19980319 MORTGAGE VAULT, INC., THE
TO OPEN A MORTGAGE BROKER'S OFFICE AT 13536 TRAVILAH ROAD N. POTOMAC, MD
BAN19980320 CBSK FINANCIAL GROUP, INC. D/B/A AMERICAN HOME LOANS
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 5 HUTTON CENTRE DRIVE, 11TH FLOOR, SANTA ANA, CA TO 4 HUTTON CENTRE DRIVE, 9TH FLOOR, SANTA ANA, CA
BAN19980321 MAINSTREET BANKGROUP INCORPORATED
TO ACQUIRE BALLSTON BANCORP, INC., WASHINGTON, DC
BAN19980322 EQUITY CAPITAL MORTGAGE INC.
FOR ADDITIONAL MORTGAGE AUTHORITY
BAN19980323 CTX MORTGAGE COMPANY
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 22 SUMMIT PLACE, SUITE 201, BRANFORD, CT
BAN19980324 COLLINBROOK MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 4460 CORPORATION LANE, SUITE 202, VIRGINIA BEACH, VA
BAN19980325 WARREN, SHERYL L.
FOR A MORTGAGE BROKER'S LICENSE
BAN19980326 TRUST ONE MORTGAGE CORPORATION
FOR A MORTGAGE LENDER'S LICENSE
BAN19980327 ASSURANCE MORTGAGE CORPORATION OF AMERICA
FOR A MORTGAGE LENDER AND BROKER LICENSE
BAN19980328 FAMILY FINANCE CORP.
TO OPEN A CONSUMER FINANCE OFFICE
BAN19980329 FAMILY FINANCE CORP.
TO CONDUCT CONSUMER FINANCE BUSINESS WHERE MORTGAGE LENDING BUSINESS WILL ALSO BE CONDUCTED
BAN19980330 FAMILY FINANCE CORP.
TO CONDUCT CONSUMER FINANCE BUSINESS WHERE MORTGAGE BROKERING BUSINESS WILL ALSO BE CONDUCTED
BAN19980331 FAMILY FINANCE CORP.
TO CONDUCT CONSUMER FINANCE BUSINESS WHERE SALES FINANCE BUSINESS WILL ALSO BE CONDUCTED
BAN19980332 FAMILY FINANCE CORP.
TO CONDUCT CONSUMER FINANCE BUSINESS WHERE PROPERTY INSURANCE BUSINESS WILL ALSO BE CONDUCTED
BAN19980333 ELITE MORTGAGE, INC. OF VIRGINIA D/B/A EMI
FOR A MORTGAGE BROKER'S LICENSE
BAN19980334 FIRST HOME MORTGAGE CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 6401 GOLDEN TRIANGLE DR., SUITE 450, GREENBELT, MD

BAN19980335 UNITED COMPANIES LENDING CORPORATION D/B/A UC LENDING
TO OPEN A MORTGAGE LENDER'S OFFICE AT 1800 NORTH KENT STREET, SUITE 902, ARLINGTON, VA
BAN19980336 DOMINION MORTGAGE CORPORATION
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 397 LITTLE NECK ROAD, VIRGINIA BEACH, VA TO 397 LITTLE NECK ROAD, 3300 BUILDING, SUITE 120, VIRGINIA BEACH, VA
BAN19980337 AMERICAN GENERAL FINANCE OF AMERICA, INC.
TO RELOCATE CONSUMER FINANCE OFFICE FROM 901-S WEST BROAD STREET, WAYNESBORO, VA TO 901-K WEST BROAD STREET, WAYNESBORO, VA
BAN19980338 AMERICAN GENERAL FINANCE, INC.
TO RELOCATE MORTGAGE LENDERS'S OFFICE FROM 901 WEST BROAD STREET, SUITE S, WAYNESBORO, VA TO 901 WEST BROAD STREET, SUITE K, WAYNESBORO, VA
BAN19980339 CTX MORTGAGE COMPANY
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM ONE MONUMENT PLACE, FAIRFAX, VA TO 14121 PARKE LONG COURT, SUITE 201, CHANTILLY, VA
BAN19980340 NEW CENTURY CORPORATION (USED IN VA BY: NEW CENTURY MORTGAGE CORPORATION)
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 1100 WASHINGTON AVE., SUITE 211, PITTSBURGH, PA
BAN19980341 MORTGAGE AMERICA COMPANIES, INC.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 3600 W. BROAD STREET, SUITE 637, RICHMOND, VA TO 1760 RESTON PARKWAY, SUITE 510, RESTON, VA
BAN19980342 MILES GROUP, INC., THE D/B/A UNICORN FINANCIAL SERVICES
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 3508 UNIVERSITY DRIVE, SUITE A, DURHAM, NC TO 1820 CHAPEL HILL ROAD, DURHAM, NC
BAN19980343 INTUIT LENDER SERVICES, INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 110 JULIAD COURT, SUITE 107, FREDERICKSBURG, VA
BAN19980344 MAYDER, WESLEY D/B/A WESTERN CAPITAL MORTGAGE
FOR A MORTGAGE BROKER'S LICENSE
BAN19980345 AVCO MORTGAGE AND ACCEPTANCE, INC.
TO OPEN A MORTGAGE LENDER'S OFFICE AT 1418 BATTLEFIELD BOULEVARD, NORTH, CHESAPEAKE, VA
BAN19980346 AVCO MORTGAGE AND ACCEPTANCE, INC.
TO OPEN A MORTGAGE LENDER'S OFFICE AT 7219 COMMERCE STREET, SPRINGFIELD, VA
BAN19980347 AVCO MORTGAGE AND ACCEPTANCE, INC.
TO OPEN A MORTGAGE LENDER'S OFFICE AT 5007 VICTORY BOULEVARD, SUITE 18, NEWPORT NEWS, VA
BAN19980348 AVCO MORTGAGE AND ACCEPTANCE, INC.
TO OPEN A MORTGAGE LENDER'S OFFICE AT 8335 SUDLEY ROAD, MANASSAS, VA
BAN19980349 AVCO MORTGAGE AND ACCEPTANCE, INC.
TO OPEN A MORTGAGE LENDER'S OFFICE AT 8221 HULL STREET ROAD, RICHMOND, VA
BAN19980350 AVCO MORTGAGE AND ACCEPTANCE, INC.
TO OPEN A MORTGAGE LENDER'S OFFICE AT 7801 W. BROAD STREET, SUITE 20, RICHMOND, VA
BAN19980351 AVCO FINANCIAL SERVICES OF MADISON HEIGHTS, INC.
TO OPEN A CONSUMER FINANCE OFFICE
BAN19980352 AVCO FINANCIAL SERVICES OF MADISON HEIGHTS, INC.
TO OPEN A CONSUMER FINANCE OFFICE
BAN19980353 AVCO FINANCIAL SERVICES OF MADISON HEIGHTS, INC.
TO OPEN A CONSUMER FINANCE OFFICE
BAN19980354 AVCO FINANCIAL SERVICES OF MADISON HEIGHTS, INC.
TO OPEN A CONSUMER FINANCE OFFICE
BAN19980355 AVCO FINANCIAL SERVICES OF MADISON HEIGHTS, INC.
TO OPEN A CONSUMER FINANCE OFFICE
BAN19980356 AVCO FINANCIAL SERVICES OF MADISON HEIGHTS, INC.
TO CONDUCT CONSUMER FINANCE BUSINESS WHERE MORTGAGE LENDING BUSINESS WILL ALSO BE CONDUCTED
BAN19980357 AVCO FINANCIAL SERVICES OF MADISON HEIGHTS, INC.
TO OPEN A CONSUMER FINANCE OFFICE
BAN19980358 HUSTEAD, BRADFORD L.
TO ACQUIRE 100 PERCENT OF STERLING MORTGAGE CORPORATION
BAN19980359 COMMONWEALTH UNITED MORTGAGE COMPANY
TO OPEN A MORTGAGE BROKER'S OFFICE AT 3923 OLD LEE HIGHWAY, SUITE 63C, FAIRFAX, VA
BAN19980360 PENINSULA TRUST BANK, INCORPORATED
TO OPEN A BRANCH AT STATE ROUTES 33 AND 670, MATTAPONI, VA
BAN19980361 FIDELITY MORTGAGE DECISIONS CORPORATION
TO RELOCATE MORTGAGE LENDERS'S OFFICE FROM 10015 OLD COLUMBIA ROAD, SUITE B215, COLUMBIA, MD TO 8808 CENTER PARK DRIVE, SUITE 302, COLUMBIA, MD
BAN19980362 FIDELITY MORTGAGE DECISIONS CORPORATION
TO RELOCATE MORTGAGE LENDERS'S OFFICE FROM 10440 LITTLE PATUXENT PARKWAY, COLUMBIA, MD TO 4221 FORBES BOULEVARD, SUITE 101, LANHAM, MD
BAN19980363 MORTGAGE AMENITIES CORP.
FOR A MORTGAGE LENDER'S LICENSE
BAN19980364 SEVERN MORTGAGE CORPORATION
FOR A MORTGAGE BROKER'S LICENSE
BAN19980365 MORTGAGE QUEST, INCORPORATED
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 4312A EVERGREEN LANE, ANNANDALE, VA TO 4306 EVERGREEN LANE, SUITE 203, ANNANDALE, VA

BAN19980366 SAAB FINANCIAL CORP. D/B/A SAAB MORTGAGE
FOR A MORTGAGE BROKER'S LICENSE
BAN19980367 SZI INC. T/A ROYAL BANC MORTGAGE CENTER
FOR A MORTGAGE BROKER'S LICENSE
BAN19980368 FIRST GREENSBORO HOME EQUITY, INC.
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 100 ARBOR DRIVE, CHRISTIANSBURG, VA TO 2955 MARKET STREET, SUITE 7, CHRISTIANSBURG, VA
BAN19980369 ANCHOR FINANCIAL GROUP, INC.
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 281 INDEPENDENCE BOULEVARD, SUITE 436, VIRGINIA BEACH, VA
BAN19980370 ELITE FINANCIAL SERVICES, INC.
FOR A MORTGAGE BROKER'S LICENSE
BAN19980371 FIDELITY BOND AND MORTGAGE CO.
FOR A MORTGAGE LENDER'S LICENSE
BAN19980372 VASQUEZ, CARLOS EDUARDO
FOR A MORTGAGE BROKER'S LICENSE
BAN19980373 LINCOLN MORTGAGE CORPORATION D/B/A BRADFORD MORTGAGE SERVICES
FOR A MORTGAGE LENDER AND BROKER LICENSE
BAN19980374 NEW CENTURY CORPORATION (USED IN VA BY: NEW CENTURY MORTGAGE CORPORATION)
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 1699 E. WOODFIELD RD., SUITE 400, SCHAUMBURG, IL TO 1000 PLAZA DRIVE, 4TH FLOOR, SCHAUMBURG, IL
BAN19980375 AEGIS MORTGAGE CORPORATION
TO RELOCATE MORTGAGE LENDERS'S OFFICE FROM 8300 BOONE BOULEVARD, SUITE 500, VIENNA, VA TO 3900 UNIVERSITY DRIVE, SUITE 100, FAIRFAX, VA
BAN19980376 SOUTHERN TRUST MORTGAGE, LLC
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT GATEWAY CENTER BUILDING, SUITE 200, W 6530 COMMERCE COURT, WARRENTON, VA
BAN19980377 FIRST INTERNATIONAL MORTGAGE CORPORATION
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 1600 SPRING HILL ROAD, SUITE 210, VIENNA, VA TO 16063 COMPRINT CIRCLE, GAITHERSBURG, MD
BAN19980378 SOUTHERN TRUST MORTGAGE, LLC
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 1910 BYRD AVENUE, SUITE 8, RICHMOND, VA
BAN19980379 PROVIDENCE ONE, INC.
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 317 OFFICE SQUARE LANE, SUITE 101B, VIRGINIA BEACH, VA
BAN19980380 GULFSTREAM FINANCIAL SERVICES OF MARYLAND, INCORPORATED
FOR A MORTGAGE BROKER'S LICENSE
BAN19980381 CENTEX CREDIT CORPORATION D/B/A CENTEX HOME EQUITY CORPORATION
TO RELOCATE MORTGAGE LENDERS'S OFFICE FROM 3710 RAWLINS, SUITE 1310, DALLAS, TX TO 3100 MCKINNON AVENUE, SUITE 250, DALLAS, TX
BAN19980382 COASTAL AMERICAN MORTGAGE, INC.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 11655 MIDLOTHIAN TURNPIKE, MIDLOTHIAN, VA TO 11655 B MIDLOTHIAN TURNPIKE, MIDLOTHIAN, VA
BAN19980383 WARD, KATHRYNE L.
FOR A MORTGAGE BROKER'S LICENSE
BAN19980384 FIRST FEDERAL MORTGAGE CORPORTION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 9101-625 MIDLOTHIAN TURNPIKE, RICHMOND, VA
BAN19980385 FIRST FEDERAL MORTGAGE CORPORTION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 2303-K FOREST DRIVE, ANNAPOLIS, MD
BAN19980386 FIRST FEDERAL MORTGAGE CORPORTION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 5828 BALLENGER CREEK PIKE, UNIT C-2, FREDERICK, MD
BAN19980387 HOMECOMINGS FINANCIAL NETWORK, INC.
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 6525 MORRISON BOULEVARD, SUITE 102, CHARLOTTE, NC
BAN19980388 EQUITY ONE MORTGAGE & INVESTMENT COMPANY
FOR ADDITIONAL MORTGAGE AUTHORITY
BAN19980389 PFD FIREFIGHTERS CREDIT UNION, INCORPORATED
TO RELOCATE CREDIT UNION OFFICE FROM 361 EFFINGHAM STREET, PORTSMOUTH, VA TO 3209 CEDAR LANE, PORTSMOUTH, VA
BAN19980390 DOMAIN FINANCIAL GROUP, INC.
FOR A MORTGAGE BROKER'S LICENSE
BAN19980391 FIRSTPLUS FINANCIAL, INC. D/B/A FIRSTPLUS DIRECT
TO RELOCATE MORTGAGE LENDERS'S OFFICE FROM 2363 S. FOOTHILL DRIVE, SALT LAKE CITY, UT TO 2500 LAKE PARK BOULEVARD, WEST VALLEY CITY, UT
BAN19980392 KEY MORTGAGE COMPANY, INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 11971 IRONBRIDGE ROAD, SUITE C, CHESTER, VA
BAN19980393 CAPSTONE MORTGAGE CORPORATION D/B/A LENDER DIRECT
FOR A MORTGAGE LENDER'S LICENSE
BAN19980394 BANC ONE FINANCIAL SERVICES, INC.
TO OPEN A CONSUMER FINANCE OFFICE
BAN19980395 BANC ONE FINANCIAL SERVICES, INC.
TO CONDUCT CONSUMER FINANCE BUSINESS WHERE MORTGAGE LENDING BUSINESS WILL ALSO BE CONDUCTED

BAN19980396 WILLIAMSON & SCHULTZ, L.L.C. D/B/A SKYLINE MORTGAGE GROUP
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 8133 LEESBURG PIKE, SUITE 720, VIENNA, VA
BAN19980397 FIRST STREET MORTGAGE CORP.
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 4651 SALISBURY ROAD, SUITE 245, JACKSONVILLE, FL
BAN19980398 NVR MORTGAGE FINANCE, INC.
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 555 QUINCE ORCHARD ROAD, SUITE 350, GAITHERSBURG, MD
BAN19980399 PREFERRED HOME MORTGAGE COMPANY
FOR A MORTGAGE LENDER AND BROKER LICENSE
BAN19980400 AMERICAN MORTGAGE ASSOCIATES, L.P.
TO RELOCATE MORTGAGE LENDERS'S OFFICE FROM 1 ESSEX STREET, HACKENSACK, NJ TO 17-17 ROUTE 208 NORTH, FAIR LAWN, NJ
BAN19980401 AMERICAN MORTGAGE ASSOCIATES, L.P.
TO RELOCATE A MORTGAGE LENDERS'S OFFICE FROM 17-17 ROUTE 208 NORTH, FAIR LAWN, NJ TO 72 SUMMIT AVENUE, MONTVALE, NJ
BAN19980402 FAIRLAND MORTGAGE COMPANY, INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 16800 MONROVIA ROAD, ORANGE, VA
BAN19980403 AMERI-NATIONAL MORTGAGE COMPANY, INC.
FOR A MORTGAGE LENDER'S LICENSE
BAN19980404 BENEFICIAL VIRGINIA INC.
TO OPEN A CONSUMER FINANCE OFFICE
BAN19980405 BENEFICIAL MORTGAGE CO. OF VIRGINIA
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT TANGLEWOOD WEST OFFICE BUILDING, 3959 ELECTRIC ROAD, S.W., ROANOKE, VA
BAN19980406 BENEFICIAL DISCOUNT CO. OF VIRGINIA
TO OPEN A MORTGAGE LENDER'S OFFICE AT TANGLEWOOD WEST OFFICE BUILDING, 3959 ELECTRIC ROAD, S.W., ROANOKE, VA
BAN19980407 BENEFICIAL VIRGINIA INC.
TO CONDUCT CONSUMER FINANCE BUSINESS WHERE OPEN-END LENDING BUSINESS WILL ALSO BE CONDUCTED
BAN19980408 BENEFICIAL VIRGINIA INC.
TO CONDUCT CONSUMER FINANCE BUSINESS WHERE SALES FINANCE BUSINESS WILL ALSO BE CONDUCTED
BAN19980409 BENEFICIAL VIRGINIA INC.
TO CONDUCT CONSUMER FINANCE BUSINESS WHERE PROPERTY INSURANCE BUSINESS WILL ALSO BE CONDUCTED
BAN19980410 BENEFICIAL VIRGINIA INC.
TO CONDUCT CONSUMER FINANCE BUSINESS WHERE MORTGAGE BROKERING BUSINESS WILL ALSO BE CONDUCTED
BAN19980411 FIRST RESIDENTIAL MORTGAGE NETWORK, INC.
FOR A MORTGAGE LENDER AND BROKER LICENSE
BAN19980412 PMCC MORTGAGE CORP. D/B/A PREMIER MORTGAGE CORP.
FOR A MORTGAGE LENDER'S LICENSE
BAN19980413 WILLOW FINANCIAL SERVICES, INC.
FOR A MORTGAGE BROKER'S LICENSE
BAN19980414 O'NEILL, GARY L.
FOR A MORTGAGE BROKER'S LICENSE
BAN19980415 PATRIOT FUNDING CORPORATION (USED IN VA BY: PATRIOT MORTGAGE CORPORATION)
FOR A MORTGAGE BROKER'S LICENSE
BAN19980416 IMC MORTGAGE COMPANY
TO RELOCATE MORTGAGE LENDERS'S OFFICE FROM 479 SWANSEA MALL DRIVE, SWANSEA, MA TO 6 BLACKSTONE VALLEY PLACE, SUITE 303, LINCOLN, RI
BAN19980417 MICAL MORTGAGE, INC.
TO RELOCATE MORTGAGE LENDERS'S OFFICE FROM 1851 EAST FIRST STREET, SUITE 810, SANTA ANA, CA TO 400 NORTH TUSTIN, SUITE 101, SANTA ANA, CA
BAN19980418 ASSOCIATES FINANCIAL SERVICES OF AMERICA, INC.
TO OPEN A MORTGAGE LENDER'S OFFICE AT 8333 RIDGEPOINT DRIVE, IRVING, TX
BAN19980419 MORTGAGE SERVICING ACQUISITION CORPORATION (USED IN VA BY: NATIONAL MORTGAGE CORPORATION)
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 8181 PROFESSIONAL PLACE, SUITE 170, LANDOVER, MD
BAN19980420 PAYNE, DARRELL L.
TO OPEN A CHECK CASHER AT 727 N. MAIN STREET, CULPEPER, VA
BAN19980421 ASSOCIATES HOUSING FINANCE, LLC
TO OPEN A MORTGAGE LENDER'S OFFICE AT 3585 ENGINEERING DRIVE, NORCROSS, GA
BAN19980422 ASSOCIATES HOUSING FINANCE, LLC
TO RELOCATE MORTGAGE LENDERS'S OFFICE FROM 8315 LEE DAVIS ROAD, SUITE 301, MECHANICSVILLE, VA TO 7433 LEE DAVIS ROAD, SUITE 301, MECHANICSVILLE, VA
BAN19980423 TRANSOUTH MORTGAGE CORPORATION
TO RELOCATE MORTGAGE LENDERS'S OFFICE FROM 225 PARKER ROAD, DANVILLE, VA TO 636-A PINEY FOREST ROAD, DANVILLE, VA
BAN19980424 TRANSOUTH FINANCIAL CORPORATION
TO RELOCATE CONSUMER FINANCE OFFICE FROM 225 PARKER ROAD, DANVILLE, VA TO 636-A PINEY FOREST ROAD, DANVILLE, VA
BAN19980425 CPBS CORPORATION
FOR A MORTGAGE BROKER'S LICENSE

BAN19980426 NORWEST HOME IMPROVEMENT, INC.
FOR A MORTGAGE LENDER'S LICENSE
BAN19980427 DITECH FUNDING CORPORATION
TO OPEN A MORTGAGE LENDER'S OFFICE AT 1130 GLOBE AVENUE, MOUNTAINSIDE, NJ
BAN19980428 HARBOR FINANCIAL MORTGAGE CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 2275 RESEARCH BOULEVARD, SUITE 430, ROCKVILLE, MD
BAN19980429 WILLIAMSON & SCHULTZ, L.L.C. D/B/A SKYLINE MORTGAGE GROUP
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 129-133 EAST DAVIS STREET, SUITE 250, CULPEPER, VA
BAN19980430 CARUSO, LINDA T/A GUARDIAN MORTGAGE
FOR A MORTGAGE BROKER'S LICENSE
BAN19980431 AMERICAN GENERAL FINANCE, INC.
TO RELOCATE MORTGAGE LENDERS'S OFFICE FROM #5 THE KOGER CENTER, SUITE 100, NORFOLK, VA TO 5957-5 VIRGINIA BEACH BOULEVARD, NORFOLK, VA
BAN19980432 AMERICAN GENERAL FINANCE OF AMERICA, INC.
TO RELOCATE CONSUMER FINANCE OFFICE FROM #5 THE KOGER CENTER, SUITE 100, NORFOLK, VA TO 5957-5 VIRGINIA BEACH BOULEVARD, NORFOLK, VA
BAN19980433 MAGELLAN HOME LOANS, LTD.
FOR A MORTGAGE BROKER'S LICENSE
BAN19980434 STD FINANCIAL CORP. D/B/A STANDARD LOANS
TO RELOCATE MORTGAGE LENDERS'S OFFICE FROM 1371 REDWOOD WAY, PETALUMA, CA TO 1333 BROADWAY, SUITE 700, OAKLAND, CA
BAN19980435 SOUTHSIDE MORTGAGE & SETTLEMENT COMPANY
FOR A MORTGAGE BROKER'S LICENSE
BAN19980436 RESIDENTIAL FIRST, INC.
FOR A MORTGAGE LENDER'S LICENSE
BAN19980437 HOME FUNDING MORTGAGE CORPORATION
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 541 A. BENFIELD ROAD, SEVERNA PARK, MD TO 1131 BENFIELD BOULEVARD, SUITE K, MILLERSVILLE, MD
BAN19980438 FUMEY, RANSFORD K. AND CONTEH, ABDULAI T/A LANDMARK FINANCIAL & ACCOUNTING ASSOCIATES
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 4810 BEAUREGARD STREET, SUITE G-9, ALEXANDRIA, VA TO 4810 BEAUREGARD STREET, ROOM 103, ALEXANDRIA, VA
BAN19980439 LOAN COMPANY, THE
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 510 CUMBERLAND STREET, SUITE 315, BRISTOL, VA TO 2250 N. ROAN STREET, JOHNSON CITY, TN
BAN19980440 BENEFICIAL VIRGINIA INC.
TO OPEN A CONSUMER FINANCE OFFICE
BAN19980441 BENEFICIAL VIRGINIA INC.
TO CONDUCT CONSUMER FINANCE BUSINESS WHERE SALES FINANCE BUSINESS WILL ALSO BE CONDUCTED
BAN19980442 BENEFICIAL VIRGINIA INC.
TO CONDUCT CONSUMER FINANCE BUSINESS WHERE OPEN-END LENDING BUSINESS WILL ALSO BE CONDUCTED
BAN19980443 BENEFICIAL VIRGINIA INC.
TO CONDUCT CONSUMER FINANCE BUSINESS WHERE PROPERTY INSURANCE BUSINESS WILL ALSO BE CONDUCTED
BAN19980444 BENEFICIAL VIRGINIA INC.
TO CONDUCT CONSUMER FINANCE BUSINESS WHERE MORTGAGE BROKERING BUSINESS WILL ALSO BE CONDUCTED
BAN19980445 BENEFICIAL DISCOUNT CO. OF VIRGINIA
TO OPEN A MORTGAGE LENDER'S OFFICE AT BY-PASS BUSINESS CENTER, 810 BLUE RIDGE AVENUE, SUITE F, BEDFORD, VA
BAN19980446 BENEFICIAL MORTGAGE CO. OF VIRGINIA
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT BY-PASS BUSINESS CENTER, 810 BLUE RIDGE AVENUE, SUITE F, BEDFORD, VA
BAN19980447 EQUITY ONE OF VIRGINIA, INC.
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 10443 MIDLOTHIAN TURNPIKE, RICHMOND, VA TO 10439 MIDLOTHIAN TURNPIKE, POCONO GREEN SHOPPING CENTER, RICHMOND, VA
BAN19980448 CARTERET MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 7400 LUCERNE LANE, SUITE 30, ANNANDALE, VA
BAN19980449 CARTERET MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 593 MINE ROAD, LEBANON, PA
BAN19980450 FIRST HOME ACCEPTANCE MORTGAGE CORPORATION
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 2667 CAMINO DEL RIO SOUTH, SAN DIEGO, CA TO 3247 MISSION VILLAGE DRIVE, SAN DIEGO, CA
BAN19980451 GMAC MORTGAGE CORPORATION
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 3221 WEST BIG BEAVER ROAD, TROY, MI TO 2600 TROY CENTER DRIVE, TROY, MI
BAN19980452 R. K. FINANCIAL SERVICES, INC. D/B/A IMMEDIATE MORTGAGE, INC.
FOR A MORTGAGE BROKER'S LICENSE
BAN19980453 REGIONAL ACCEPTANCE CORPORATION
TO OPEN A CONSUMER FINANCE OFFICE
BAN19980454 REGIONAL ACCEPTANCE CORPORATION
TO CONDUCT CONSUMER FINANCE BUSINESS WHERE SALES FINANCE BUSINESS WILL ALSO BE CONDUCTED
BAN19980455 REGIONAL INVESTMENT CO. D/B/A RIC MORTGAGE CO.
TO OPEN A MORTGAGE LENDER'S OFFICE AT 2321 ALLOWAY COURT, VIRGINIA BEACH, VA

BAN19980456 OLYMPIA MORTGAGE CORP.
TO RELOCATE MORTGAGE LENDERS'S OFFICE FROM 3400 ACORN STREET, WILLIAMSBURG, VA TO 1528 GEORGE WASHINGTON MEMORIAL HIGHWAY, GLOUCESTER, VA
BAN19980457 IMPERIAL HOME LOANS, INC.
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 900 LANIDEX PLAZA, PARSIPPANY, NJ TO 200 LANIDEX PLAZA, 2ND FLOOR, PARSIPPANY, NJ
BAN19980458 INDEPENDENT REALTY CAPITAL CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 15991 REDHILL AVENUE, SUITE 220, TUSTIN, CA
BAN19980459 INDEPENDENT REALTY CAPITAL CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 28765 SINGLE OAK DRIVE, SUITE 250, TEMECULA, CA
BAN19980460 VIRGINIA COMMERCE BANK
TO OPEN A BRANCH AT 10777 MAIN STREET, FAIRFAX, VA
BAN19980461 NATIONWIDE HOME MORTGAGE, INC.
FOR A MORTGAGE BROKER'S LICENSE
BAN19980462 COVENANT MORTGAGE CORPORATION
FOR A MORTGAGE BROKER'S LICENSE
BAN19980463 BANK OF MCKENNEY
TO OPEN A BRANCH AT 20815 CHESTERFIELD PLAZA, ETTRICK, VA
BAN19980464 DOOLEY, MARY P. T/A MPD MORTGAGE COMPANY
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 3404 SUNCHASE COURT, SUITE 121, ROANOKE, VA TO 3002 ROSALIND AVENUE, ROANOKE, VA
BAN19980465 KEVIN BURCHAM, JAMES KEVIN
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 105 N. MAIN STREET, GALAX, VA TO 107 SOUTH MAIN STREET, GALAX, VA
BAN19980466 JVS FINANCIAL GROUP, INC.
TO RELOCATE MORTGAGE LENDERS'S OFFICE FROM 2500 INTERNATIONALE PARKWAY, WOODRIDGE, IL
BAN19980467 CARDINAL ENTERPRISES INC. OF RICHMOND D/B/A PRESTIGE MORTGAGE CO.
FOR A MORTGAGE BROKER'S LICENSE
BAN19980468 WMC MORTGAGE CORP. D/B/A AMERICAN LOAN CENTERS
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 4651 SHERIDAN STREET, HOLLYWOOD, FL
BAN19980469 WMC MORTGAGE CORP. D/B/A AMERICAN LOAN CENTERS
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 1051 PERIMETER DRIVE, SUITE 300, SCHAUMBURG, IL
BAN19980470 WMC MORTGAGE CORP. D/B/A AMERICAN LOAN CENTERS
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 400 N. TUSTIN AVENUE, SUITE 375, SANTA ANA, CA
BAN19980471 INTEK TELESERVICES, INC.
FOR A MORTGAGE BROKER'S LICENSE
BAN19980472 ISLAND MORTGAGE NETWORK INC. D/B/A 1ST POTOMAC MORTGAGE
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 615 SOUTH FREDERICK ROAD, SUITE 308, GAITHERSBURG, MD TO 200 HARRY S. TRUMAN PARKWAY, SUITE 100, ANNAPOLIS, MD
BAN19980473 FIDELITY TRUST MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 8320 UNIVERSITY EXECUTIVE PARK DRIVE, SUITE 108, CHARLOTTE, NC
BAN19980474 CONSUMER SECURITY MORTGAGE, INC.
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 1200 HARGER ROAD, SUITE 421, OAK BROOK, IL
BAN19980475 UNION BANKSHARES CORPORATION
TO ACQUIRE THE RAPPAHANNOCK NATIONAL BANK OF WASHINGTON, WASHINGTON, VA
BAN19980476 CENTURION FINANCIAL, LTD
TO OPEN A MORTGAGE BROKER'S OFFICE AT 202 SOUTH WEST STREET, ALEXANDRIA, VA
BAN19980477 SERVICE CENTER OF AMERICA, INC. D/B/A FINANCIAL FUNDING GROUP
FOR A MORTGAGE BROKER'S LICENSE
BAN19980478 RESOURCE BANKSHARES CORPORATION
TO ACQUIRE RESOURCE BANK
BAN19980479 INFINITY MORTGAGE CORPORATION
FOR A MORTGAGE BROKER'S LICENSE
BAN19980480 NEW CENTURY CORPORATION (USED IN VA BY: NEW CENTURY MORTGAGE CORPORATION)
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT ONE COLUMBUS CENTER, SUITE 600, VIRGINIA BEACH, VA
BAN19980481 FRANK T. YODER MORTGAGE, INC.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 103 WESLEY ROAD, SHILOH, NC TO SOUTHERN BUSINESS CENTER, JUNIPERTRAIL, NR8, KITTY HAWK, NC
BAN19980482 A-K FINANCIAL INC.
FOR A MORTGAGE BROKER'S LICENSE
BAN19980483 FIRST GREENSBORO HOME EQUITY, INC.
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 1641 WEST MORRIS BOULEVARD, MORRISTOWN, TN
BAN19980484 MORTGAGE AND EQUITY FUNDING CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 201 CONCOURSE BOULEVARD, SUITE 111, GLEN ALLEN, VA
BAN19980485 ACCENT MORTGAGE SERVICES, INC.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 11205 ALPHARETTA HIGHWAY, SUITE I-2, ROSWELL, GA TO 11940 ALPHARETTA HIGHWAY, SUITE 110, ALPHARETTA, GA
BAN19980486 AMERICAN GENERAL FINANCE, INC.
TO RELOCATE MORTGAGE LENDERS'S OFFICE FROM 2120 WARDS ROAD, LYNCHBURG, VA TO 2128 WARDS ROAD, LYNCHBURG, VA

BAN19980487 AMERICAN GENERAL FINANCE OF AMERICA, INC.
TO RELOCATE CONSUMER FINANCE OFFICE FROM 2120 WARDS ROAD, LYNCHBURG, VA TO 2128 WARDS ROAD, LYNCHBURG, VA
BAN19980488 CHOCKLETT, DONNA L. D/B/A CHOCKLETT MORTGAGE
FOR A MORTGAGE BROKER'S LICENSE
BAN19980489 FINANCE AMERICA CORPORATION
FOR A MORTGAGE LENDER'S LICENSE
BAN19980490 APEX HOME LOANS, INC.
FOR A MORTGAGE BROKER'S LICENSE
BAN19980491 NATIONS HOME FUNDING, INC.
FOR A MORTGAGE BROKER'S LICENSE
BAN19980492 DECISIONONE MORTGAGE COMPANY, LLC
TO RELOCATE MORTGAGE LENDERS'S OFFICE FROM 4601 PARK ROAD, SUITE 500, CHARLOTTE, NC TO ONE SOUTH EXECUTIVE PARK, 6060 J. A. JONES DRIVE, CHARLOTTE, NC
BAN19980493 COLLINBROOK MORTGAGE CORPORATION
FOR ADDITIONAL MORTGAGE AUTHORITY
BAN19980494 UNITED TRUST MORTGAGE, INC.
FOR A MORTGAGE BROKER'S LICENSE
BAN19980495 MALONE MORTGAGE COMPANYAMERICA, LTD
FOR A MORTGAGE LENDER AND BROKER LICENSE
BAN19980496 INNOVATIVE FUNDING INC.
FOR A MORTGAGE LENDER'S LICENSE
BAN19980497 DITECH FUNDING CORPORATION
TO OPEN A MORTGAGE LENDER'S OFFICE AT 5055 E. BROADWAY, SUITE C-214, TUCSON, AZ
BAN19980498 DITECH FUNDING CORPORATION
TO OPEN A MORTGAGE LENDER'S OFFICE AT 799 TORRINGTON DRIVE, NAPERVILLE, IL
BAN19980499 MORTGAGE BANC, INC., THE D/B/A HOME BANC, INC.
FOR A MORTGAGE LENDER AND BROKER LICENSE
BAN19980500 BENEFICIAL VIRGINIA INC.
TO OPEN A CONSUMER FINANCE OFFICE
BAN19980501 BENEFICIAL VIRGINIA INC.
TO OPEN A CONSUMER FINANCE OFFICE
BAN19980502 BENEFICIAL VIRGINIA INC.
TO CONDUCT CONSUMER FINANCE BUSINESS WHERE MORTGAGE BROKERING BUSINESS WILL ALSO BE CONDUCTED
BAN19980503 BENEFICIAL VIRGINIA INC.
TO CONDUCT CONSUMER FINANCE BUSINESS WHERE OPEN-END LENDING BUSINESS WILL ALSO BE CONDUCTED
BAN19980504 BENEFICIAL VIRGINIA INC.
TO CONDUCT CONSUMER FINANCE BUSINESS WHERE PROPERTY INSURANCE BUSINESS WILL ALSO BE CONDUCTED
BAN19980505 BENEFICIAL VIRGINIA INC.
TO CONDUCT CONSUMER FINANCE BUSINESS WHERE SALES FINANCE BUSINESS WILL ALSO BE CONDUCTED
BAN19980506 BENEFICIAL MORTGAGE CO. OF VIRGINIA
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT OFFICES AT THE CENTER, 100 ARBOR OAK DRIVE, SUITE 304, ASHLAND, VA
BAN19980507 BENEFICIAL DISCOUNT CO. OF VIRGINIA
TO OPEN A MORTGAGE LENDER'S OFFICE AT OFFICES AT THE CENTER, 100 ARBOR OAK DRIVE, SUITE 304, ASHLAND, VA
BAN19980508 BENEFICIAL DISCOUNT CO. OF VIRGINIA
TO OPEN A MORTGAGE LENDER'S OFFICE AT MOUNTAIN VIEW SQUARE SHOPPING CENTER, 1480 EAST MAIN STREET, SUITE 11, WYTHEVILLE, VA
BAN19980509 BENEFICIAL MORTGAGE CO. OF VIRGINIA
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT MOUNTAIN VIEW SQUARE SHOPPING CENTER, 1480 EAST MAIN STREET, SUITE 11, WYTHEVILLE, VA
BAN19980510 SHUMWAY, SCOT D. D/B/A PROVIDENT FUNDING GROUP
TO OPEN A MORTGAGE BROKER'S OFFICE AT 7004-M LITTLE RIVER TURNPIKE, ANNANDALE, VA
BAN19980511 HOMEAMERICAN CREDIT, INC. D/B/A UPLAND MORTGAGE
TO OPEN A MORTGAGE LENDER'S OFFICE AT 111 PRESIDENTIAL BOULEVARD, SUITE 142, BALA CYNWYD, PA
BAN19980512 NOVASTAR MORTGAGE, INC.
TO RELOCATE MORTGAGE LENDERS'S OFFICE FROM 15707 ROCKFIELD BOULEVARD, SUITE 320, IRVINE, CA TO 23046 AVENIDA DE LA CARLOTA, THIRD FLOOR, LAGUNA HILLS, CA
BAN19980513 FIRSTPLUS FINANCIAL, INC. D/B/A FIRSTPLUS DIRECT
TO OPEN A MORTGAGE LENDER'S OFFICE AT 1050 E. FLAMINGO ROAD, SUITE N. 230, LAS VEGAS, NV
BAN19980514 MONEY LENDERS, INC.
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 2317 MEMORIAL AVENUE, SUITE E, ROANOKE, VA TO 3322 HOLLINS ROAD, N.E., ROANOKE, VA
BAN19980515 BANK OF SOUTHSIDE VIRGINIA, THE
TO RELOCATE OFFICE FROM ROUTE 1402 AND ROUTE 1, DINWIDDIE COURTHOUSE, VA TO 13909 BOYDTON PLANK ROAD, DINWIDDIE, VA
BAN19980516 PRIMERICA FINANCIAL SERVICES HOME MORTGAGES, INC.
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 6052 PROVIDENCE ROAD, SUITE 201, VIRGINIA BEACH, VA
BAN19980517 POTOMAC VALLEY BANK
TO OPEN A BRANCH AT GREENSPRING VILLAGE, 7440 SPRING VILLAGE DRIVE, SPRINGFIELD, VA

BAN19980518 HARRELL, JR., ADAM N. D/B/A UNITY MORTGAGE
FOR A MORTGAGE BROKER'S LICENSE
BAN19980519 R.H.C. CORNUCOPIA FINANCIAL SERVICES CORPORATION
TO OPEN A CHECK CASHER AT 3923 OLD LEE HIGHWAY, SUITE 63-C, FAIRFAX, VA
BAN19980520 MBS FINANCIAL INC. D/B/A COMMONWEALTH LENDING
FOR A MORTGAGE BROKER'S LICENSE
BAN19980521 INTUIT LENDER SERVICES, INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 6220 GREENWICH DRIVE, SAN DIEGO, CA
BAN19980522 LONG BEACH MORTGAGE COMPANY D/B/A FINANCING USA
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 996 TOWN AND COUNTRY ROAD, ORANGE, CA
BAN19980523 MORTGAGE ACCESS CORP.
TO RELOCATE MORTGAGE LENDERS'S OFFICE FROM 1121 NORTH GLEBE ROAD, ARLINGTON, VA TO 4701 OLD DOMINION DRIVE, ARLINGTON, VA
BAN19980524 MORTGAGE ACCESS CORP.
TO OPEN A MORTGAGE LENDER'S OFFICE AT 990 BRAGG ROAD, FREDERICKSBURG, VA
BAN19980525 MORTGAGE ACCESS CORP.
TO OPEN A MORTGAGE LENDER'S OFFICE AT 121 NORTH PITT STREET, ALEXANDRIA, VA
BAN19980526 PREFERRED MORTGAGE GROUP, INC. D/B/A PREFERRED SERVICE MORTGAGE
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 4500 OLD DOMINION DRIVE, ARLINGTON, VA
BAN19980527 PREFERRED MORTGAGE GROUP, INC. D/B/A PREFERRED SERVICE MORTGAGE
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 5616-C OX ROAD, FAIRFAX STATION, VA
BAN19980528 PREFERRED MORTGAGE GROUP, INC. D/B/A PREFERRED SERVICE MORTGAGE
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 9314 OLD KEENE MILL ROAD, BURKE, VA
BAN19980529 PREFERRED MORTGAGE GROUP, INC. D/B/A PREFERRED SERVICE MORTGAGE
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 4000 LEGATO ROAD, FAIRFAX, VA
BAN19980530 PINNFUND USA, INC.
FOR A MORTGAGE LENDER'S LICENSE
BAN19980531 WMS, INC.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 4201 NORTHVIEW DRIVE, BOWIE, MD TO 4325 NORTHVIEW DRIVE, BOWIE, MD
BAN19980532 COLONIAL ATLANTIC MORTGAGE, INC.
FOR A MORTGAGE BROKER'S LICENSE
BAN19980533 NORWEST FINANCIAL VIRGINIA, INC.
TO RELOCATE CONSUMER FINANCE OFFICE FROM 2139-B COLISEUM DRIVE, HAMPTON, VA TO 2400 CUNNINGHAM DRIVE, HAMPTON, VA
BAN19980534 HOME MORTGAGE DIRECT, INC.
FOR A MORTGAGE BROKER'S LICENSE
BAN19980535 AFFINITY FINANCE, LLC
FOR A MORTGAGE LENDER'S LICENSE
BAN19980536 RHC CORNUCOPIA FINANCIAL SERVICES CORPORATION
FOR A MONEY ORDER LICENSE
BAN19980537 RHC CORNUCOPIA FINANCIAL SERVICES CORPORATION
TO OPEN A CONSUMER FINANCE OFFICE
BAN19980538 REAL DEVELOPMENTS, INC. T/A COASTAL MORTGAGE AND INVESTMENTS
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 4017 E. OCEAN VIEW AVENUE, NORFOLK, VA TO 9555 SHORE DRIVE, NORFOLK, VA
BAN19980539 HUBAND, EUGENE B. D/B/A ALPHA MORTGAGE FUNDING
FOR A MORTGAGE BROKER'S LICENSE
BAN19980540 MOUNTAIN PACIFIC MORTGAGE COMPANY D/B/A LFC MORTGAGE
FOR A MORTGAGE LENDER AND BROKER LICENSE
BAN19980541 RESOURCE MORTGAGE BANKING, LTD
FOR A MORTGAGE LENDER AND BROKER LICENSE
BAN19980542 REALTY CAPITAL GROUP, INCORPORATED D/B/A EQUITY FUNDING GROUP
FOR A MORTGAGE BROKER'S LICENSE
BAN19980543 BETHESDA PROPERTIES CORPORATION D/B/A PILOT MORTGAGE COMPANY
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 15825 CRABBS BRANCH WAY, ROCKVILLE, MD TO 966 HUNGERFORD DRIVE, SUITE 5A, ROCKVILLE, MD
BAN19980544 ARLINGTON CAPITAL MORTGAGE CORPORATION
TO OPEN A MORTGAGE LENDER'S OFFICE AT 2751 CENTERVILLE ROAD, SUITE 250, WILMINGTON, DE
BAN19980545 BANK OF SUFFOLK
TO OPEN A BRANCH AT 3216 WESTERN BRANCH BOULEVARD, CHESAPEAKE, VA
BAN19980546 AMERICAN GENERAL FINANCE OF AMERICA, INC.
TO RELOCATE CONSUMER FINANCE OFFICE FROM 5312 CHAMBERLAYNE ROAD, RICHMOND, VA TO 1272 CONCORD AVENUE, HENRICO COUNTY, VA
BAN19980547 AMERICAN GENERAL FINANCE, INC.
TO RELOCATE MORTGAGE LENDERS'S OFFICE FROM 5312 CHAMBERLAYNE ROAD, RICHMOND, VA TO 1272 CONCORD AVENUE, RICHMOND, VA
BAN19980548 MERITAGE MORTGAGE CORPORATION
TO OPEN A MORTGAGE LENDER'S OFFICE AT 11320 RANDOM HILLS ROAD, SUITE 580, FAIRFAX, VA

BAN19980549 IVY MORTGAGE CORP.
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 522 S. INDEPENDENCE BOULEVARD, SUITE 204, VIRGINIA BEACH, VA
BAN19980550 CENDANT MORTGAGE CORPORATION D/B/A PHH MORTGAGE SERVICES
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 6601 CLIFTON ROAD, CLIFTON, VA
BAN19980551 KENNEDY MORTGAGE CORP.
FOR A MORTGAGE BROKER'S LICENSE
BAN19980552 HEARTLAND HOME FINANCE, INC.
FOR A MORTGAGE LENDER AND BROKER LICENSE
BAN19980553 ARLINGTON CAPITAL MORTGAGE CORPORATION
TO RELOCATE MORTGAGE LENDERS'S OFFICE FROM 4 GREENWOOD SQUARE, SUITE 105, BENSALEM, PA TO 2 GREENWOOD SQUARE, SUITE 200, BENSALEM, PA
BAN19980554 COUNTRYWIDE HOME LOANS, INC. D/B/A AMERICA'S WHOLESALE LENDER
TO RELOCATE MORTGAGE LENDERS'S OFFICE FROM 750 OLD HICKORY BOULEVARD, SUITE 200, BRENTWOOD, TN TO 750 OLD HICKORY BOULEVARD, SUITE 100, BRENTWOOD, TN
BAN19980555 SAGIMEX INC.
FOR A MONEY ORDER LICENSE
BAN19980556 CARTERET MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 10307 CHERRYVIEW COURT, OAKTON, VA
BAN19980557 RESIDENTIAL ALLIANCE LLC
FOR A MORTGAGE LENDER AND BROKER LICENSE
BAN19980558 COUNTRYWIDE HOME LOANS, INC. D/B/A AMERICA'S WHOLESALE LENDER
TO OPEN A MORTGAGE LENDER'S OFFICE AT 11200 ROUTE 216, SUITE 116, LAUREL, MD
BAN19980559 AMERISOUTH MORTGAGE COMPANY
FOR A MORTGAGE LENDER'S LICENSE
BAN19980560 RESIDENTIAL MORTGAGE CORPORATION (IMC), INC.
FOR A MORTGAGE LENDER AND BROKER LICENSE
BAN19980561 NEW PEOPLES BANK, INC.
TO OPEN A BANK AT STATE ROUTE 80 AND GENT STREET, HONAKER, VA
BAN19980562 NEW PEOPLES BANK, INC.
TO OPEN A BRANCH AT 131 U. S. ROUTE 23 SOUTH, WEBER CITY, VA
BAN19980563 NEW PEOPLES BANK, INC.
TO OPEN A BRANCH AT 102 MINERS DRIVE, CASTLEWOOD, VA
BAN19980564 CORNERSTONE MORTGAGE, INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 9922 WOOD WREN COURT, FAIRFAX, VA
BAN19980565 NEW CENTURY CORPORATION (USED IN VA BY: NEW CENTURY MORTGAGE CORPORATION)
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 125 ST. PAULS BOULEVARD, SUITE 600, NORFOLK, VA TO 4456 CORPORATION LANE, SUITE 142, VIRGINIA BEACH, VA
BAN19980566 BB&T CORPORATION
TO ACQUIRE BB&T BANKCARD CORPORATION
BAN19980567 HOMEBUYERS MORTGAGE, INC.
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 8420 QUARRY ROAD, MANASSAS, VA
BAN19980568 FIDELITY MORTGAGE SERVICES, INC.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 5850 HUBBARD DRIVE, ROCKVILLE, MD TO 5842 HUBBARD DRIVE, ROCKVILLE, MD
BAN19980569 FIRST FIDELITY MORTGAGE, INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 6767 FOREST HILL AVENUE, SUITE 305, RICHMOND, VA
BAN19980570 LOYALTY MORTGAGE CORPORATION
FOR A MORTGAGE BROKER'S LICENSE
BAN19980571 MCA MORTGAGE CORPORATION
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 23999 NORTHWESTERN HIGHWAY, SUITE 260, SOUTHFIELD, MI TO 24700 NORTHWESTERN HIGHWAY, SOUTHFIELD, MI
BAN19980572 CRESTAR BANK
TO OPEN A BRANCH AT FORT BELVOIR COMMISSARY, 6020 GORGAS ROAD, SUITE 101, FORT BELVOIR, VA
BAN19980573 COMMUNITY BANK OF NORTHERN VIRGINIA
TO OPEN A BRANCH AT 6949 COMMERCE STREET, SPRINGFIELD, VA
BAN19980574 FIRSTPLUS FINANCIAL, INC. D/B/A FIRSTPLUS DIRECT
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 12700 SHELBYVILLE ROAD, DANVILLE, KY TO 6440 B DUTCHMANS PARKWAY, LOUISVILLE, KY
BAN19980575 SENIORS FIRST MORTGAGE COMPANY, L.L.C.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 4425 CORPORATION LANE, SUITE 300, VIRGINIA BEACH, VA TO 4525 SOUTH BOULEVARD, SUITE 301, VIRGINIA BEACH, VA
BAN19980576 SENIORS FIRST MORTGAGE COMPANY, L.L.C.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 1501 SANTA ROSA ROAD, SUITE B-4, RICHMOND, VA
BAN19980577 VANDERBILT MORTGAGE AND FINANCE, INC.
TO RELOCATE MORTGAGE LENDERS'S OFFICE FROM 4726 AIRPORT HIGHWAY, LOUISVILLE, TN TO 500 ALCOA TRAIL, MARYVILLE, TN
BAN19980578 CAMBRIDGE MORTGAGE CORPORATION
FOR A MORTGAGE LENDER AND BROKER LICENSE
BAN19980579 OLD DOMINION MORTGAGE, INC.
FOR A MORTGAGE BROKER'S LICENSE

BAN19980580 ROCUDA MORTGAGE CO.
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 140B FRANKLIN STREET, ROCKY MOUNT, VA
BAN19980581 ROCUDA FINANCE CO.
TO CONDUCT CONSUMER FINANCE BUSINESS WHERE MORTGAGE LENDING BUSINESS WILL ALSO BE CONDUCTED
BAN19980582 GMAC MORTGAGE CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 401 WEST 24TH STREET, NATIONAL CITY, CA
BAN19980583 AMERICAN GENERAL FINANCE, INC.
TO RELOCATE MORTGAGE LENDERS'S OFFICE FROM FOUR CORNER PLAZA, ONLEY, VA TO 25326 LANKFORD HIGHWAY, ONLEY, VA
BAN19980584 CH MORTGAGE COMPANY I, LTD., L.P. (USED IN VA BY: CH MORTGAGE COMPANY I, LTD.)
FOR A MORTGAGE LENDER AND BROKER LICENSE
BAN19980585 AMERICAN GENERAL FINANCE OF AMERICA, INC.
TO RELOCATE CONSUMER FINANCE OFFICE FROM FOUR CORNER PLAZA, ONLEY, VA TO 25326 LANKFORD HIGHWAY, ONLEY, VA
BAN19980586 HANOVER BANK
TO MERGE INTO IT FIRST COMMUNITY BANK
BAN19980587 HANOVER BANK
TO MERGE INTO IT REGENCY BANK
BAN19980588 SENTINEL INTERIM BANK
TO BEGIN BANKING BUSINESS UPON THE MERGER INTO IT OF FIRST SENTINEL BANK
BAN19980589 PARKWAY MORTGAGE, INC.
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 20484 CHARTWELL CENTER DRIVE, CORNELIUS, NC
BAN19980590 PARKWAY MORTGAGE, INC.
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 275 NORTH MIDDLETOWN ROAD, PEARL RIVER, NY TO 1 HUNTINGTON QUADRANGEL, SUITE 1N16, MELVILLE, NY
BAN19980591 FIRST VIRGINIA BANK OF TIDEWATER
TO OPEN A BRANCH AT GREENBRIER MALL, 1401 GREENBRIER PARKWAY, CHESAPEAKE, VA
BAN19980592 RYLAND MORTGAGE COMPANY
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 12150 MONUMENT DRIVE, SUITE 100, FAIRFAX, VA TO 11212 WAPLES MILL ROAD, SUITE 102, FAIRFAX, VA
BAN19980593 FIRST STREET MORTGAGE CORP.
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 10390 COMMERCE CENTER DRIVE, SUITE 160, RANCHO CUCAMONGA, CA
BAN19980594 NOVA MORTGAGE CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 4115 ANNANDALE ROAD, SUITE 102, ANNANDALE, VA
BAN19980595 BB&T CORPORATION
TO ACQUIRE MARYLAND FEDERAL BANCORP INC.
BAN19980596 KING GEORGE STATE BANK, INC.
TO OPEN A BRANCH AT JAMES MADISON PARKWAY JUST NORTHWEST OF INTERSECTION WITH COUNTY ROAD 614, KING GEORGE COUNTY, VA
BAN19980597 BANK OF MARION, THE
TO OPEN A BRANCH AT 702 FAIRMONT AVENUE, HONAKER, VA
BAN19980598 BANK OF MARION, THE
TO OPEN A BRANCH AT 196 EAST JACKSON STREET, GATE CITY, VA
BAN19980599 BANK OF MARION, THE
TO OPEN A BRANCH AT U.S. HIGHWAY 23 NORTH AND LEGION STREET, WEBER CITY, VA
BAN19980600 ROCUDA FINANCE CO.
TO CONDUCT CONSUMER FINANCE BUSINESS WHERE MORTGAGE BROKERING BUSINESS WILL ALSO BE CONDUCTED
BAN19980601 E. M. WILLIS MORTGAGE CORPORATION
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 4550 MONTGOMERY AVENUE, SUITE 220N, BETHESDA, MD TO 11900 PARKLAWN DRIVE, SUITE 403, ROCKVILLE, MD
BAN19980602 PRIMERICA FINANCIAL SERVICES HOME MORTGAGES, INC.
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 105 N. MAIN STREET, GALAX, VA TO 107 SOUTH MAIN STREET, GALAX, VA
BAN19980603 BENEFICIAL VIRGINIA INC.
TO CONDUCT CONSUMER FINANCE BUSINESS WHERE MORTGAGE LENDING BUSINESS WILL ALSO BE CONDUCTED
BAN19980604 BENEFICIAL VIRGINIA INC.
TO CONDUCT CONSUMER FINANCE BUSINESS WHERE MORTGAGE LENDING BUSINESS WILL ALSO BE CONDUCTED
BAN19980605 UNION BANK AND TRUST COMPANY
TO OPEN A BRANCH AT 6110 MECHANICSVILLE TURNPIKE, MECHANICSVILLE, VA
BAN19980606 MARINA MORTGAGE COMPANY, INC.
FOR A MORTGAGE LENDER'S LICENSE
BAN19980607 CAPITAL MORTGAGE FINANCE CORP.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 3825 LEONARDTOWN ROAD, SUITE 3, WALDORF, MD TO 2200 DEFENSE HIGHWAY, SUITE 100, CROFTON, MD
BAN19980608 EQUITY SERVICES OF VIRGINIA, INC. (USED IN VA BY: EQUITY SERVICES, INC.)
FOR A MORTGAGE LENDER AND BROKER LICENSE
BAN19980609 HERITAGE BANK & TRUST
TO OPEN A BRANCH AT S.W. CORNER OF CHESAPEAKE BOULEVARD AND EAST OCEAN VIEW AVENUE, NORFOLK, VA
BAN19980610 CORNERSTONE FINANCIAL GROUP, INC., THE
TO OPEN A MORTGAGE LENDER'S OFFICE AT #4 INVERNESS COURT EAST, DENVER, CO

BAN19980611 CORNERSTONE FINANCIAL GROUP, INC., THE
TO OPEN A MORTGAGE LENDER'S OFFICE AT 6055 HOLLOW TREE CT., UNIT A006, COLORADO SPRINGS, CO
BAN19980612 MORTGAGEPRIME, L.L.C.
FOR ADDITIONAL MORTGAGE AUTHORITY
BAN19980613 ONE VALLEY BANCORP, INC.
TO ACQUIRE SUMMIT BANKSHARES, INC., RAPHINE, VA
BAN19980614 MOREQUITY OF NEVADA, INC. (USED IN VA BY: MOREQUITY, INC.)
TO RELOCATE MORTGAGE LENDERS'S OFFICE FROM 222 MAIN STREET, EVANSVILLE, IN TO 5010 CARRIAGE DRIVE, EVANSVILLE, IN
BAN19980615 SOUTHEAST HOME MORTGAGE CORP.
FOR A MORTGAGE LENDER AND BROKER LICENSE
BAN19980616 COAST SECURITY MORTGAGE, INC.
FOR A MORTGAGE LENDER AND BROKER LICENSE
BAN19980617 CENTURA BANK
TO OPEN A BRANCH AT 4460 CORPORATION LANE, SUITES A AND B, VIRGINIA BEACH, VA
BAN19980618 AVCO MORTGAGE AND ACCEPTANCE, INC.
TO OPEN A MORTGAGE LENDER'S OFFICE AT 456 CHARLES DIMMOCK PARKWAY, SUITE 7, COLONIAL HEIGHTS, VA
BAN19980619 AVCO MORTGAGE AND ACCEPTANCE, INC.
TO OPEN A MORTGAGE LENDER'S OFFICE AT 5927-6013 VIRGINIA BEACH BOULEVARD, NORFOLK, VA
BAN19980620 AVCO MORTGAGE AND ACCEPTANCE, INC.
TO OPEN A MORTGAGE LENDER'S OFFICE AT 182-S10 NEFF AVENUE, HARRISONBURG, VA
BAN19980621 AVCO MORTGAGE AND ACCEPTANCE, INC.
TO OPEN A MORTGAGE LENDER'S OFFICE AT 833 W. CONSTANCE ROAD, SUFFOLK, VA
BAN19980622 AVCO FINANCIAL SERVICES OF MADISON HEIGHTS, INC.
TO OPEN A CONSUMER FINANCE OFFICE
BAN19980623 AVCO FINANCIAL SERVICES OF MADISON HEIGHTS, INC.
TO OPEN A CONSUMER FINANCE OFFICE
BAN19980624 AVCO FINANCIAL SERVICES OF MADISON HEIGHTS, INC.
TO OPEN A CONSUMER FINANCE OFFICE
BAN19980625 AVCO FINANCIAL SERVICES OF MADISON HEIGHTS, INC.
TO OPEN A CONSUMER FINANCE OFFICE
BAN19980626 AVCO FINANCIAL SERVICES OF MADISON HEIGHTS, INC.
TO CONDUCT CONSUMER FINANCE BUSINESS WHERE MORTGAGE LENDING BUSINESS WILL ALSO BE CONDUCTED
BAN19980627 AMERICAN GENERAL FINANCE, INC.
TO RELOCATE MORTGAGE LENDERS'S OFFICE FROM 8803 SUDLEY ROAD, SUITE 102, MANASSAS, VA TO 7861 SUDLEY ROAD, MANASSAS, VA
BAN19980628 AMERICAN GENERAL FINANCE OF AMERICA, INC.
TO RELOCATE CONSUMER FINANCE OFFICE FROM 8803 SUDLEY ROAD, SUITE 102, MANASSAS, VA TO 7861 SUDLEY ROAD, PRINCE WILLIAM COUNTY, VA
BAN19980629 FUNDMOR, INC.
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 4115 ANNANDALE ROAD, SUITE 200, ANNANDALE, VA TO 4115 ANNANDALE ROAD, SUITE 300, ANNANDALE, VA
BAN19980630 SOUTHSIDE MORTGAGE CORPORATION, INC.
FOR A MORTGAGE BROKER'S LICENSE
BAN19980631 FIRST REPUBLIC MORTGAGE CORPORATION D/B/A US CAPITAL FUNDING
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 190 ADMIRAL COCHRANE DRIVE, ANNAPOLIS, MD TO 179 ADMIRAL COCHRANE DRIVE, SUITE 110, ANNAPOLIS, MD
BAN19980632 FIRST REPUBLIC MORTGAGE CORPORATION D/B/A US CAPITAL FUNDING
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 4456 CORPORATION LANE, SUITE 300, VIRGINIA BEACH, VA TO 4456 CORPORATION LANE, SUITE 303, VIRGINIA BEACH, VA
BAN19980633 J. P. FINANCE & INVESTMENT CO., INC.
FOR A MORTGAGE BROKER'S LICENSE
BAN19980634 PENINSULA TRUST BANK, INCORPORATED
TO OPEN A BRANCH AT 100 MCLAWS CIRCLE, JAMES CITY COUNTY, VA
BAN19980635 METRO-COUNTY BANK OF VIRGINIA, INC.
TO OPEN A BRANCH AT 5419 LAKESIDE AVENUE, HENRICO COUNTY, VA
BAN19980636 ONE VALLEY BANK - EAST, NATIONAL ASSOCIATION
TO OPEN A BRANCH AT 440 EAST MAIN STREET, PURCELLVILLE, VA
BAN19980637 ADVANTAGE MORTGAGE CORPORATION
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 18 WEST MAIN STREET, CHRISTIANSBURG, VA TO 20 WEST MAIN STREET, CHRISTIANSBURG, VA
BAN19980638 CARDINAL MORTGAGE, INC.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 1904 BYRD AVENUE, SUITE 302, RICHMOND, VA TO 305 SOUTH WASHINGTON HIGHWAY, ASHLAND, VA
BAN19980639 COUNTY BANK OF CHESTERFIELD
TO OPEN A BRANCH AT 906 BRANCHWAY ROAD, CHESTERFIELD COUNTY, VA
BAN19980640 HARBOR FINANCIAL MORTGAGE CORPORATION
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 7 LOUDOUN STREET, S.E., LEESBURG, VA TO 4 LOUDOUN STREET, S.E., LEESBURG, VA
BAN19980641 CITYWIDE MORTGAGE CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 7850 ROSSVILLE BOULEVARD, SUITE 206, BALTIMORE, MD

BAN19980642 TRANSLAND FINANCIAL SERVICES, INC.
FOR A MORTGAGE LENDER'S LICENSE
BAN19980643 MOVE SHOP INC., THE
FOR A MORTGAGE BROKER'S LICENSE
BAN19980644 MEISTER FINANCIAL GROUP, INC.
FOR A MORTGAGE LENDER'S LICENSE
BAN19980645 FIRST JEFFERSON MORTGAGE CORPORATION D/B/A FIRST JEFFERSON FUNDING
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 1156 JAMESTOWN ROAD, SUITE B, WILLIAMSBURG, VA
BAN19980646 MATEWAN NATIONAL BANK, THE
TO OPEN A BRANCH AT 3102 WEST CEDAR VALLEY DRIVE, CEDAR BLUFF, VA
BAN19980647 CORNERSTONE MORTGAGE, INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 2800 QUEBEC STREET, N.W., SUITE 954, WASHINGTON, DC
BAN19980648 MORTGAGE SOUTH, INC.
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM ROUTE 5, BOX 4335, PALMYRA, VA TO 14 CENTRE COURT, PALMYRA, VA
BAN19980649 ABILITY MORTGAGE FUNDING L.L.C.
FOR A MORTGAGE BROKER'S LICENSE
BAN19980650 SUPERIOR HOME MORTGAGE CORPORATION (USED IN VA BY: SUPERIOR MORTGAGE CORPORATION)
FOR A MORTGAGE LENDER AND BROKER LICENSE
BAN19980651 FIRST VIRGINIA BANK-BLUE RIDGE
TO OPEN A BRANCH AT WEST RESERVOIR ROAD AT INTERSTATE 81, WOODSTOCK, VA
BAN19980652 LIBERTY MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 2800 ELECTRIC ROAD, SUITE 105, ROANOKE, VA
BAN19980653 BANK OF ESSEX
TO OPEN A BRANCH AT 9951 BROOK ROAD, GLEN ALLEN, VA
BAN19980654 AVCO MORTGAGE AND ACCEPTANCE, INC.
TO RELOCATE MORTGAGE LENDERS'S OFFICE FROM 1938 PLANK ROAD, FREDERICKSBURG, VA TO 519A JEFFERSON DAVIS HIGHWAY, FREDERICKSBURG, VA
BAN19980655 AVCO FINANCIAL SERVICES OF MADISON HEIGHTS, INC.
TO RELOCATE CONSUMER FINANCE OFFICE FROM 1938 PLANK ROAD, FREDERICKSBURG, VA TO 519A JEFFERSON DAVIS HIGHWAY, FREDERICKSBURG, VA
BAN19980656 AGGRESSIVE MORTGAGE CORP.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 906 ORCHARD ROAD, RICHMOND, VA TO 7110 FOREST AVENUE, SUITE 103, RICHMOND, VA
BAN19980657 OLD TOWN FINANCIAL CORP. D/B/A RAMSAY MORTGAGE COMPANY
TO OPEN A MORTGAGE BROKER'S OFFICE AT 9211 LIVINGSTON ROAD, SUITE C 487, FORT WASHINGTON, MD
BAN19980658 PREFERRED CREDIT, INC.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 3650 BOSTON ROAD, SUITE E, LEXINGTON, KY TO 3493 LANDSDOWNE DRIVE, SUITE 3, LEXINGTON, KY
BAN19980659 SAUNDERS, CHERYL L. D/B/A PLAN B MORTGAGE
FOR A MORTGAGE BROKER'S LICENSE
BAN19980660 BANK OF HAMPTON ROADS, THE
TO OPEN A BRANCH AT 4037 EAST LITTLE CREEK ROAD, NORFOLK, VA
BAN19980661 COLUMBIA NATIONAL, INCORPORATED
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 13890 BRADDOCK ROAD, SUITE 304A, CENTREVILLE, VA
BAN19980662 FIRST FIDELITY MORTGAGE, INC.
FOR ADDITIONAL MORTGAGE AUTHORITY
BAN19980663 FIRST RESIDENTIAL MORTGAGE CORPORATION
FOR A MORTGAGE BROKER'S LICENSE
BAN19980664 HEADLANDS MORTGAGE COMPANY
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 12015 LEE JACKSON HIGHWAY, SUITE 210, FAIRFAX, VA
BAN19980665 RESIDENTIAL MORTGAGE FUNDING CORPORATION (USED IN VA BY: RESIDENTIAL MORTGAGE CORPORATION)
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 1450 MERCANTILE LANE, SUITE 249, LARGO, MD TO 1300 MERCANTILE LANE, SUITE 100G, LARGO, MD
BAN19980666 MARTINSVILLE DU PONT EMPLOYEES CREDIT UNION, INCORPORATED
TO OPEN A CREDIT UNION SERVICE OFFICE AT 41 WHEELER AVENUE, COLLINSVILLE, VA
BAN19980667 BLAZER FINANCIAL SERVICES, INC.
TO RELOCATE CONSUMER FINANCE OFFICE FROM 6139 JEFFERSON AVENUE, SUITE I, NEWPORT NEWS, VA TO 2189 CUNNINGHAM DRIVE, HAMPTON, VA
BAN19980668 CITY FINANCE COMPANY D/B/A PUBLIC FINANCE CORPORATION
TO RELOCATE CONSUMER FINANCE OFFICE FROM 11008 WARWICK BOULEVARD, SUITE 450, NEWPORT NEWS, VA TO 12638 JEFFERSON AVENUE, SUITE 6, NEWPORT NEWS, VA
BAN19980669 PUBLIC LOAN CORPORATION D/B/A PUBLIC MORTGAGE COMPANY
TO RELOCATE MORTGAGE LENDERS'S OFFICE FROM 11008 WARWICK BOULEVARD, SUITE 450, NEWPORT NEWS, VA TO 12638 JEFFERSON AVENUE, SUITE 6, NEWPORT NEWS, VA
BAN19980670 BLAZER MORTGAGE SERVICES, INC.
TO RELOCATE MORTGAGE LENDERS'S OFFICE FROM 6139 JEFFERSON AVENUE, SUITE 1, NEWPORT NEWS, VA TO 2189 CUNNINGHAM DRIVE, HAMPTON, VA
BAN19980671 FIRST VIRGINIA BANK-MOUNTAIN EMPIRE
TO OPEN A BRANCH AT 3000 LEE HIGHWAY, BRISTOL, VA

BAN19980672 FIELDSTONE MORTGAGE COMPANY
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 2 NORTH CHARLES STREET, BALTIMORE, MD TO 11000 BROKEN LAND PARKWAY, SUITE 600, COLUMBIA, MD
BAN19980673 EMERGENT MORTGAGE CORP. D/B/A EMERGENT MORTGAGE CORP.
TO RELOCATE MORTGAGE LENDERS'S OFFICE FROM 50 DATASTREAM PLAZA, GREENVILLE, SC TO 3901 PELHAM ROAD, GREENVILLE, SC
BAN19980674 EAGLE FUNDING GROUP, LTD
TO OPEN A MORTGAGE BROKER'S OFFICE AT 8700 CENTREVILLE ROAD, MANASSAS, VA
BAN19980675 COUNTRYWIDE HOME LOANS, INC. D/B/A AMERICA'S WHOLESALE LENDER
TO OPEN A MORTGAGE LENDER'S OFFICE AT 6841 BROKEN LAND PARKWAY, SUITE 105, COLUMBIA, MD
BAN19980676 DEBT MANAGEMENT CORPORATION
TO OPEN A DEBT COUNSELING OFFICE
BAN19980677 PFN MORTGAGE SERVICES, L.L.C.
FOR A MORTGAGE BROKER'S LICENSE
BAN19980678 SOUTHERN PACIFIC FUNDING CORPORATION
TO OPEN A MORTGAGE LENDER'S OFFICE AT 3650 N. LAUGHLIN ROAD, SANTA ROSA, CA
BAN19980679 HARVEL, SCOTT D.
TO ACQUIRE 100 PERCENT OF FIDELITY FUNDING MORTGAGE CORP.
BAN19980680 MERCURY FINANCE COMPANY OF VIRGINIA
TO OPEN A CONSUMER FINANCE OFFICE
BAN19980681 TICO CREDIT COMPANY, INC.
TO OPEN A CONSUMER FINANCE OFFICE
BAN19980682 ATLANTIC BAY MORTGAGE GROUP, L.L.C.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 9101-F TIMBERLAKE ROAD, LYNCHBURG, VA
BAN19980683 TRUST COMPANY OF VIRGINIA, THE
TO RELOCATE INDEPENDENT TRUST COMPANY BRANCH OFFICE FROM 6800 PARAGON PLACE, SUITE 237, HENRICO COUNTY, VA TO 9030 STONY POINT PARKWAY, SUITE 300, RICHMOND, VA
BAN19980684 FIRST VIRGINIA BANK OF TIDEWATER
TO OPEN A BRANCH AT 355 CRAWFORD STREET, PORTSMOUTH, VA
BAN19980685 MORTGAGE VIRGINIA LLC
FOR A MORTGAGE LENDER'S LICENSE
BAN19980686 DMR FINANCIAL SERVICES, INC.
TO RELOCATE MORTGAGE LENDERS'S OFFICE FROM 24445 NORTHWESTERN HIGHWAY, SUITE 100, SOUTHFIELD, MI TO 33045 HAMILTON COURT WEST, SUITE 100, FARMINGTON HILLS, MI
BAN19980687 BANK OF ISLE OF WIGHT
TO OPEN A BRANCH AT 4000 GEORGE WASHINGTON HIGHWAY, YORK COUNTY, VA
BAN19980688 HERITAGE BANCORP, INC.
TO ACQUIRE HERITAGE BANK, MCLEAN, VA
BAN19980689 FIRST HERITAGE MORTGAGE COMPANY
TO OPEN A MORTGAGE BROKER'S OFFICE AT 3433 BRAMBLETON AVENUE, S-205A, ROANOKE, VA
BAN19980690 A & H MORTGAGE SERVICES, INC.
FOR A MORTGAGE BROKER'S LICENSE
BAN19980691 TICO CREDIT COMPANY, INC.
TO OPEN A CONSUMER FINANCE OFFICE
BAN19980692 CAPITAL HOME FUNDING CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 7004-A LITTLE RIVER TURNPIKE, ANNANDALE, VA
BAN19980693 NMC MORTGAGE CORPORATION (USED IN VA BY: NATIONAL MORTGAGE CORPORATION)
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 100 JEFFERSON BOULEVARD, SUITE 205, WARWICK, RI TO 475 KILVERT STREET, SUITE 300, WARWICK, RI
BAN19980694 AMRESCO RESIDENTIAL MORTGAGE CORPORATION
TO OPEN A MORTGAGE LENDER'S OFFICE AT 9658 BALTIMORE AVENUE, SUITE 400, COLLEGE PARK, MD
BAN19980695 AMRESCO RESIDENTIAL MORTGAGE CORPORATION
TO OPEN A MORTGAGE LENDER'S OFFICE AT 7611 LITTLE RIVER TURNPIKE, SUITE 105, ANNANDALE, VA
BAN19980696 FINET HOLDINGS CORPORATION
TO ACQUIRE 100 PERCENT OF MICAL MORTGAGE, INC.
BAN19980697 PEOPLES BANK, THE
TO RELOCATE OFFICE FROM FOUR MAIN STREET, ROSE HILL, VA TO 200 MAIN STREET, ROSE HILL, VA
BAN19980698 SOUTHERN FINANCIAL BANK
TO OPEN A BRANCH AT 2062 PLANK ROAD, FREDERICKSBURG, VA
BAN19980699 FIRST CENTURY BANK
TO ESTABLISH AN EFT AT 680 WEST LEE HIGHWAY, US ROUTE 11, WYTHEVILLE, VA
BAN19980700 LAKELAND REGIONAL MORTGAGE CORPORATION
FOR A MORTGAGE LENDER'S LICENSE
BAN19980701 FIRST ALLIANCE MORTGAGE COMPANY
TO OPEN A MORTGAGE LENDER'S OFFICE AT 17200 JAMBOREE ROAD, IRVINE, CA
BAN19980702 A.R.T. FINANCIAL SERVICES, INC. D/B/A FRANKLIN MORTGAGE
FOR A MORTGAGE BROKER'S LICENSE
BAN19980703 FEDERAL MORTGAGE EXCHANGE NETWORK, INC.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 11606 VANTAGE HILL ROAD, SUITE 12B, RESTON, VA TO 1304 STUART ROAD, HERNDON, VA

BAN 30704 AMERICA'S MONEYLINE, INC.
TO OPEN A MORTGAGE LENDER'S OFFICE AT 125 ST. PAUL'S BOULEVARD, SUITE 600, NORFOLK, VA
BAN 30705 INDEPENDENT REALTY CAPITAL CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 200 ARCO PLACE, SUITE 420, INDEPENDENCE, KS
BAN 30706 CARTERET MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 8700 CENTREVILLE ROAD, SUITE 201, MANASSAS, VA
BAN 30707 FIDELITY TRUST MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 4621 PEMBROKE LAKES CIRCLE, VIRGINIA BEACH, VA
BAN 30708 GRAYHAWK MORTGAGE CORPORATION
FOR A MORTGAGE BROKER'S LICENSE
BAN 30709 ACCREDITED HOME LENDERS, INC.
TO OPEN A MORTGAGE LENDER'S OFFICE AT 111 TRI-COUNTY PARKWAY, SUITE C, CINCINNATI, OH
BAN 30710 H&R BLOCK MORTGAGE COMPANY, L.L.C.
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 4435 MAIN STREET, SUITE 500, KANSAS CITY, MO TO 4400 MAIN STREET, KANSAS CITY, MO
BAN 30711 COUNTRYWIDE HOME LOANS, INC. D/B/A AMERICA'S WHOLESALE LENDER
TO OPEN A MORTGAGE LENDER'S OFFICE AT 400 COUNTRYWIDE WAY, SIMI VALLEY, CA
BAN 30712 COUNTRYWIDE HOME LOANS, INC. D/B/A AMERICA'S WHOLESALE LENDER
TO OPEN A MORTGAGE LENDER'S OFFICE AT 1711-F SEMINOLE TRAIL, CHARLOTTESVILLE, VA
BAN 30713 COUNTRYWIDE HOME LOANS, INC. D/B/A AMERICA'S WHOLESALE LENDER
TO OPEN A MORTGAGE LENDER'S OFFICE AT 646 BRANDON AVENUE, SUITE L12, ROANOKE, VA
BAN 30714 COUNTRYWIDE HOME LOANS, INC. D/B/A AMERICA'S WHOLESALE LENDER
TO OPEN A MORTGAGE LENDER'S OFFICE AT 9400 N. CENTRAL EXPRESSWAY, SUITE 800, DALLAS, TX
BAN 30715 COUNTRYWIDE HOME LOANS, INC. D/B/A AMERICA'S WHOLESALE LENDER
TO OPEN A MORTGAGE LENDER'S OFFICE AT 4500 PARK GRANADA, CH-11, CALABASAS, CA
BAN 30716 COUNTRYWIDE HOME LOANS, INC. D/B/A AMERICA'S WHOLESALE LENDER
TO OPEN A MORTGAGE LENDER'S OFFICE AT 302 SUNSET DRIVE, SUITE 210, JOHNSON CITY, TN
BAN19980717 APPLE TREE MORTGAGE, INC.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 18 SEVENTH STREET, N.W., SUITE 305, NORTON, VA TO 18 SEVENTH STREET, N.W., SUITE 206, NORTON, VA
BAN19980718 COLUMBIA NATIONAL, INCORPORATED
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 1003 RICHMOND ROAD, WILLIAMSBURG, VA
BAN19980719 MARSHALL REDDER HOME MORTGAGE CORPORATION
FOR A MORTGAGE BROKER'S LICENSE
BAN19980720 SCHURR AND SCHURR CORPORATION T/A SAS MORTGAGE CORPORATION
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 10230 NEW HAMPSHIRE AVE., SUITE 204, SILVER SPRING, MD TO 960 TRUMPET COURT, SUITE B-1, DAVIDSONVILLE, MD
BAN19980721 FRANKLIN NATIONAL BANK OF WASHINGTON, D.C.
TO OPEN A BRANCH AT 6949 COMMERCE STREET, SPRINGFIELD, VA
BAN19980722 FINET HOLDINGS CORPORATION
TO ACQUIRE 100 PERCENT OF COASTAL FEDERAL MORTGAGE COMPANY
BAN19980723 SOURCE ONE MORTGAGE SERVICES CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 341 ROUTE 55, LAGRANGEVILLE, NY
BAN19980724 SOURCE ONE MORTGAGE SERVICES CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 3 MARCUS BOULEVARD, ALBANY, NY
BAN19980725 SOURCE ONE MORTGAGE SERVICES CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 12 CENTURY HILL DRIVE, LATHAM, NY
BAN19980726 DUVALL, JANE F.
TO ACQUIRE 100 PERCENT OF CHESAPEAKE MORTGAGE SERVICES, INC.
BAN19980727 NMLI INCORPORATED (USED IN VA BY: NMLI)
FOR A MORTGAGE BROKER'S LICENSE
BAN19980728 PRIME TIME MORTGAGE, INC.
FOR ADDITIONAL MORTGAGE AUTHORITY
BAN19980729 HARBOR FINANCIAL MORTGAGE CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 2070 CHAIN BRIDGE ROAD, SUITE 105, VIENNA, VA
BAN19980730 TOWN CENTER MORTGAGE, INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 12040 SOUTH LAKES DRIVE, SUITE 170, RESTON, VA
BAN19980731 LONG BEACH MORTGAGE COMPANY D/B/A FINANCING USA
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 4860 COX ROAD, SUITE 200, GLEN ALLEN, VA
BAN19980732 LONG BEACH MORTGAGE COMPANY D/B/A FINANCING USA
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 1701 GOLF ROAD, SUITE 307, ROLLING MEADOWS, IL
BAN19980733 FARMERS & MERCHANTS BANK-EASTERN SHORE
TO MERGE INTO IT THE EASTVILLE BANK
BAN19980734 ASSOCIATES NATIONAL MORTGAGE CORPORATION
TO RELOCATE MORTGAGE LENDERS'S OFFICE FROM 250 CARPENTER FREEWAY, IRVING, TX TO 105 DECKER DRIVE, IRVING, TX
BAN19980735 QUANTAM FUNDING CORPORATION
FOR A MORTGAGE BROKER'S LICENSE
BAN19980736 MONARCH BANK
TO OPEN A BANK AT 750 VOLVO PARKWAY, CHESAPEAKE, VA

BAN19980737 C.M.A. MORTGAGE, INC.
FOR A MORTGAGE LENDER AND BROKER LICENSE
BAN19980738 MERCURY FINANCE COMPANY OF VIRGINIA
TO OPEN A CONSUMER FINANCE OFFICE
BAN19980739 MICROSOFT HOMEADVISOR LLC
FOR A MORTGAGE BROKER'S LICENSE
BAN19980740 ASSOCIATES FINANCIAL SERVICES OF AMERICA, INC.
TO RELOCATE MORTGAGE LENDERS'S OFFICE FROM 10374 PORTSMOUTH ROAD, MANASSAS, VA
BAN19980741 ASSOCIATES FINANCIAL SERVICES COMPANY OF TENNESSEE, INC.
TO RELOCATE MORTGAGE LENDERS'S OFFICE FROM 2104 MT. CASTLE DRIVE, JOHNSON CITY, TN TO 1805 N. ROAN STREET, SUITE E-1, JOHNSON CITY, TN
BAN19980742 FIRST FINANCIAL SERVICES, INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 2129 ELECTRIC ROAD, SUITE 201, ROANOKE, VA
BAN19980743 INOCENCIO, IVY K. D/B/A SUNNY VIEW MORTGAGE GROUP
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 3409 SUNNY VIEW DRIVE, ALEXANDRIA, VA TO 8401-C RICHMOND HIGHWAY, ALEXANDRIA, VA
BAN19980744 BENCHMARK MORTGAGE, INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 6800 PARAGON PLACE, SUITE 215, RICHMOND, VA
BAN19980745 F & M BANK - RICHMOND
TO OPEN A BRANCH AT 4851 SOUTH LABURNUM AVENUE, HENRICO COUNTY, VA
BAN19980746 F & M BANK - RICHMOND
TO OPEN A BRANCH AT 17650 MIDLOTHIAN TURNPIKE, MIDLOTHIAN, VA
BAN19980747 HOMEBUYERS EQUITY CORPORATION
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 11900 PARKLAWN DRIVE, SUITE 403, ROCKVILLE, MD TO 5020 SUNNYSIDE AVENUE, SUITE 100, BELTSVILLE, MD
BAN19980748 BANK OF WILLIAMSBURG, THE
TO OPEN A BANK AT 5251 JOHN TYLER HIGHWAY, SUITE 52, JAMES CITY COUNTY, VA
BAN19980749 UNION BANKSHARES CORPORATION
TO ACQUIRE THE BANK OF WILLIAMSBURG
BAN19980750 CHRISTENSEN MORTGAGE SERVICES, INC.
FOR A MORTGAGE LENDER AND BROKER LICENSE
BAN19980751 GMAC MORTGAGE CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 17305 WISE STREET, ONANCOCK, VA
BAN19980752 GMAC MORTGAGE CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT RR #5, BOX 252, STAUNTON, VA
BAN19980753 GMAC MORTGAGE CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 320 PUNKIN RIDGE DRIVE, CLEARBROOK, VA
BAN19980754 GMAC MORTGAGE CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 14104 HUNTGATE WOODS ROAD, MIDLOTHIAN, VA
BAN19980755 GMAC MORTGAGE CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 13978 OLEANDER COURT, WOODBRIDGE, VA
BAN19980756 GMAC MORTGAGE CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 203 FAYETTE STREET, FARMVILLE, VA
BAN19980757 GMAC MORTGAGE CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 3909 HARVARD STREET, FREDERICKSBURG, VA
BAN19980758 GREEN TREE FINANCIAL SERVICING CORPORATION
TO OPEN A MORTGAGE LENDER'S OFFICE AT MOOREFIELD III BUILDING, 804 MOOREFIELD PARK DRIVE, SUITE 305, RICHMOND, VA
BAN19980759 GREEN TREE FINANCIAL SERVICING CORPORATION
TO OPEN A MORTGAGE LENDER'S OFFICE AT 3500 YANKEE DRIVE, SUITE 400, EAGAN, MN
BAN19980760 ALBEMARLE FIRST BANK
TO OPEN A BANK AT 1265 SEMINOLE TRAIL, ALBEMARLE COUNTY, VA
BAN19980761 LONG BEACH MORTGAGE COMPANY D/B/A FINANCING USA
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM PENN CENTER WEST, BUILDING 1, PITTSBURGH, PA TO FOSTER PLAZA, 501 HOLIDAY DRIVE, SUITE 115, BUILDING 41, PITTSBURGH, PA
BAN19980762 GMAC MORTGAGE CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 806 GREEN VALLEY ROAD, GREENSBORO, NC
BAN19980763 GMAC MORTGAGE CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 12070 OLD LINE CENTRE, WALDORF, MD
BAN19980764 COMMUNITY BANK OF NORTHERN VIRGINIA
TO OPEN A BRANCH AT 302 MAPLE AVENUE, VIENNA, VA
BAN19980765 ONE VALLEY BANK - EAST, NATIONAL ASSOCIATION
TO OPEN A BRANCH AT 426 WEEMS LANE, WINCHESTER, VA
BAN19980766 ONE VALLEY BANK - EAST, NATIONAL ASSOCIATION
TO OPEN A BRANCH AT 1000 BERRYVILLE AVENUE, WINCHESTER, VA
BAN19980767 EMB MORTGAGE CORPORATION
FOR A MORTGAGE LENDER AND BROKER LICENSE
BAN19980768 WMC MORTGAGE CORP. D/B/A AMERICAN LOAN CENTERS
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 1875 SOUTH BASCOM AVENUE, SUITE 2400, CAMPBELL, CA
BAN19980769 WMC MORTGAGE CORP. D/B/A AMERICAN LOAN CENTERS
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 459 GILBERT ROAD, SUITE A210, GILBERT, AZ

BAN19980770 OPTION ONE MORTGAGE CORPORATION D/B/A H&R BLOCK MORTGAGE
TO RELOCATE MORTGAGE LENDERS'S OFFICE FROM 2020 EAST FIRST STREET, SUITE 100, SANTA ANA, CA TO 3 ADA, IRVINE, CA
BAN19980771 AMBASSADOR MORTGAGE, INC. D/B/A ACTION MORTGAGE
TO OPEN A MORTGAGE BROKER'S OFFICE AT 1978-80 WILLIAM STREET, FREDERICKSBURG, VA
BAN19980772 COUNTRYWIDE HOME LOANS, INC. D/B/A AMERICA'S WHOLESALE LENDER
TO OPEN A MORTGAGE LENDER'S OFFICE AT 35 NORTH LAKE AVENUE, PASADENA, CA
BAN19980773 COUNTRYWIDE HOME LOANS, INC. D/B/A AMERICA'S WHOLESALE LENDER
TO OPEN A MORTGAGE LENDER'S OFFICE AT 131 N. HUDSON, PASADENA, CA
BAN19980774 CENTER FOR CHILD & FAMILY SERVICES, INC. D/B/A CONSUMER CREDIT COUNSELING SERVICE OF HAMPTON ROADS
TO OPEN AN ADDITIONAL DEBT COUNSELING OFFICE AT 12891 JEFFERSON AVENUE, NEWPORT NEWS, VA
BAN19980775 MORTGAGE FUNDING NETWORK, INC.
FOR A MORTGAGE LENDER AND BROKER LICENSE
BAN19980776 BEST RATE MORTGAGE CORP.
FOR A MORTGAGE BROKER'S LICENSE
BAN19980777 WASHINGTON MORTGAGE INVESTMENT CORPORATION
FOR A MORTGAGE BROKER'S LICENSE
BAN19980778 SECOND BANK & TRUST
TO OPEN A BRANCH AT 134-136 WEST MAIN STREET, ORANGE, VA
BAN19980779 BLUE RIDGE MORTGAGE, L.L.C.
FOR A MORTGAGE BROKER'S LICENSE
BAN19980780 MORTGAGE INVESTMENT CORPORATION
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM SUDLEY TOWER, MANASSAS, VA TO SUDLEY TOWER, 7900 SUDLEY ROAD, SUITE 200, MANASSAS, VA
BAN19980781 DIVINITY MORTGAGE CORPORATION
FOR A MORTGAGE BROKER'S LICENSE
BAN19980782 FIRST HORIZON HOME MORTGAGE, INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 912 BROOKDALE ROAD, SUITE 4, MARTINSVILLE, VA
BAN19980783 MCA MORTGAGE CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 420 PARK AVENUE, SUITE 309, GREENVILLE, SC
BAN19980784 STATEWIDE MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 410 OAKMEARS CRESCENT, VIRGINIA BEACH, VA
BAN19980785 ASSOCIATES MORTGAGE SERVICES, INC. (USED IN VA BY: ASSOCIATES FINANCIAL SERVICES OF AMERICA, INC.)
TO RELOCATE MORTGAGE LENDERS'S OFFICE FROM 2104 MT. CASTLE DRIVE, JOHNSON CITY, TN TO 1805 N. ROAN STREET, SUITE E-1, JOHNSON CITY, TN
BAN19980786 GREATER ACCEPTANCE MORTGAGE CORP.
FOR A MORTGAGE LENDER AND BROKER LICENSE
BAN19980787 M CAPITAL CORP.
FOR A MORTGAGE LENDER AND BROKER LICENSE
BAN19980788 FARMERS AND MINERS BANK
TO ESTABLISH AN EFT AT LEE PLAZA, U. S. HIGHWAY 58, JONESVILLE, VA
BAN19980789 PERFECT DEED MORTGAGE CORP. OF VIRGINIA
FOR A MORTGAGE BROKER'S LICENSE
BAN19980790 TONEY, CHARLES W. T/A VIRGINIA MORTGAGE CENTER
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 1904 BYRD AVENUE, SUITE 218, RICHMOND, VA TO 13509 COTLEY LANE, RICHMOND, VA
BAN19980791 COASTAL MORTGAGE CORPORATION
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 13905 GREEN TRAILS COURT, CENTREVILLE, VA TO 2519 JOHN EPPES ROAD, SUITE 401, HERNDON, VA
BAN19980792 U.S. MORTGAGE CAPITAL, INC.
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 6110 EXECUTIVE BOULEVARD, SUITE 508, ROCKVILLE, MD TO 15200 SHADY GROVE ROAD, SUITE 350, ROCKVILLE, MD
BAN19980793 SOUTHERN TRUST MORTGAGE, LLC
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 205 BUSINESS PARK DRIVE, SUITE 202, VIRGINIA BEACH, VA
BAN19980794 SOUTHERN TRUST MORTGAGE, LLC
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 102 COURT STREET, APPOMATTOX, VA
BAN19980795 COUNTRYWIDE HOME LOANS, INC. D/B/A AMERICA'S WHOLESALE LENDER
TO OPEN A MORTGAGE LENDER'S OFFICE AT 4101 COX ROAD, GLEN ALLEN, VA
BAN19980796 MORTGAGE EDGE CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 4936 FAIRMONT AVENUE, BETHESDA, MD
BAN19980797 MORTGAGE EDGE CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 9891 BROKENLAND PARKWAY, SUITE 300, COLUMBIA, MD
BAN19980798 BENEFICIAL MORTGAGE CORPORATION
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 100 BUSINESS CENTER DRIVE, SUITE 202, BREWSTER, NY TO 16 MT. EBO ROAD SOUTH, BREWSTER, NY
BAN19980799 FIRST FINANCIAL FUNDING GROUP, INC. (USED IN VA BY: FIRST FINANCIAL FUNDING GROUP)
FOR A MORTGAGE LENDER AND BROKER LICENSE
BAN19980800 CFT FINANCIAL CORP.
FOR A MORTGAGE LENDER AND BROKER LICENSE

BAN19980801 FIRST NATIONAL FUNDING CORPORATION OF AMERICA
FOR A MORTGAGE LENDER AND BROKER LICENSE
BAN19980802 MORTGAGE RESOURCES, LLC
FOR A MORTGAGE BROKER'S LICENSE
BAN19980803 FIRST VIRGINIA BANK-COLONIAL
TO OPEN A BRANCH AT 6127 MECHANICSVILLE TURNPIKE, MECHANICSVILLE, VA
BAN19980804 WAYNESBORO DUPONT EMPLOYEES CREDIT UNION
TO OPEN A CREDIT UNION SERVICE OFFICE AT DUPONT PLANT, 400 DUPONT BLVD., WAYNESBORO, VA
BAN19980806 SOURCE ONE FINANCIAL SERVICES, INC.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 2317 MEMORIAL AVENUE, S.W., SUITE E, ROANOKE, VA TO 30 W. FRANKLIN ROAD, SUITE 503, ROANOKE, VA
BAN19980807 TRUST COMPANY OF VIRGINIA, THE
TO OPEN A NEW INDEPENDENT TRUST COMPANY BRANCH AT 460 MCLAWS CIRCLE, SUITE 115, JAMES CITY COUNTY, VA
BAN19980808 UNION FINANCIAL CORPORATION
TO OPEN A MORTGAGE LENDER'S OFFICE AT 3129 NANSEMOND LOOP, VIRGINIA BEACH, VA
BAN19980809 TEMPLE MORTGAGE, L.L.C.
FOR A MORTGAGE BROKER'S LICENSE
BAN19980810 PRIMERICA FINANCIAL SERVICES HOME MORTGAGES, INC.
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 7406 ALBAN STATION COURT, SUITE A-100, SPRINGFIELD, VA
BAN19980811 PRIMERICA FINANCIAL SERVICES HOME MORTGAGES, INC.
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 2010 CORPORATE RIDGE, SUITE 175, MCLEAN, VA
BAN19980812 APPLE TREE MORTGAGE, INC.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 201 W. SULLIVAN STREET, KINGSPORT, TN TO 215 CUMBERLAND STREET, KINGSPORT, TN
BAN19980813 BROWN, DENNIS R.
TO ACQUIRE 100 PERCENT OF CHESAPEAKE 1ST MORTGAGE CORPORATION
BAN19980814 VIRGINIA HEARTLAND INTERIM BANK
TO BEGIN BANKING BUSINESS UPON THE MERGER INTO IT OF VIRGINIA HEARTLAND BANK
BAN19980815 SECOND NATIONAL FINANCIAL CORPORATION
TO ACQUIRE VIRGINIA HEARTLAND BANK, VA
BAN19980816 BARKSDALE BUSINESS GROUP, INC. D/B/A BARKSDALE LOAN CONSULTANTS
FOR A MORTGAGE BROKER'S LICENSE
BAN19980817 VIGO REMITTANCE CORP.
FOR A MONEY ORDER LICENSE
BAN19980818 GMAC MORTGAGE CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 1617 N. AUGUSTA STREET, STAUNTON, VA
BAN19980819 COMMONWEALTH BANK, THE
TO OPEN A BRANCH AT 707 EAST MAIN STREET, RICHMOND, VA
BAN19980820 FIRST VIRGINIA BANK-COLONIAL
TO OPEN A BRANCH AT RICHMOND INTERNATIONAL AIRPORT, 1 RICHARD E. BYRD TERMINAL DRIVE, HENRICO COUNTY, VA
BAN19980821 COMMERCIAL CREDIT CORPORATION
TO RELOCATE MORTGAGE LENDERS'S OFFICE FROM 7525 TIDEWATER DRIVE, SUITE 30, NORFOLK, VA TO HILLTOP COMMERCE CENTER, 1750 LASKIN ROAD, VIRGINIA BEACH, VA
BAN19980822 COMMERCIAL CREDIT LOANS INC.
TO RELOCATE CONSUMER FINANCE OFFICE FROM 7525 TIDEWATER DRIVE, SUITE 30, NORFOLK, VA TO HILLTOP COMMERCE CENTER, 1750 LASKIN ROAD, VIRGINIA BEACH, VA
BAN19980823 FIRST GUARANTY MORTGAGE CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 4801 N. DIXIE HIGHWAY, FT. LAUDERDALE, FL
BAN19980824 SPANIOL, TIMOTHY J. T/A 1ST SOUTHERN MORTGAGE
TO OPEN A MORTGAGE BROKER'S OFFICE AT 320 S. MAIN STREET, EMPORIA, VA
BAN19980825 OLD STONE MORTGAGE CORPORATION
FOR A MORTGAGE BROKER'S LICENSE
BAN19980826 ROLAND, JR., ROBERT L.
TO ACQUIRE 100 PERCENT OF BENCHMARK MORTGAGE, INC.
BAN19980827 BEALE, CHRIS E.
TO ACQUIRE 100 PERCENT OF BENCHMARK MORTGAGE, INC.
BAN19980828 HOME LENDING, LC D/B/A AMERICAN MORTGAGE PARTNERS
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 7926 JONES BRANCH ROAD, SUITE 700, MCLEAN, VA TO 1445 DOLLEY MADISON BOULEVARD, 2ND FLOOR, MCLEAN, VA
BAN19980829 YOON, WOOK LHO D/B/A TRUST MORTGAGE COMPANY
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 5410 KENNINGTON PLACE, FAIRFAX, VA TO 8212A OLD COURTHOUSE ROAD, VIENNA, VA
BAN19980830 AMRESCO, INC.
TO ACQUIRE 100 PERCENT OF AMERIGROUP MORTGAGE CORPORATION
BAN19980831 FIRST-CITIZENS BANK & TRUST COMPANY
TO OPEN A BRANCH AT 3021 OLD FOREST ROAD, CAMPBELL COUNTY, VA
BAN19980832 MORTGAGE LENDERS NETWORK USA, INC. D/B/A FAMILY CREDIT CONNECTION
TO OPEN A MORTGAGE LENDER'S OFFICE AT SCHILLING CENTER, 222 SCHILLING CIRCLE, HUNT VALLEY, MD

BAN19980833 REALCO MORTGAGE SERVICES, LLC
FOR A MORTGAGE BROKER'S LICENSE
BAN19980834 CRESTAR BANK
TO OPEN A BRANCH AT FORT LEE COMMISSARY, 400 SHOP ROAD, FORT LEE, VA
BAN19980835 VIRGINIA CREDIT UNION, INC.
TO MERGE INTO IT SALEM E.B.A. CREDIT UNION, INCORPORATED, SALEM, VA
BAN19980836 ACCUBANC MORTGAGE CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 860 GREENBRIAR CIRCLE, SUITE 100, CHESAPEAKE, VA
BAN19980837 FIRST FRANKLIN FINANCIAL CORPORATION D/B/A DIRECT EQUITY LENDING
TO OPEN A MORTGAGE LENDER'S OFFICE AT 2300 MAIN STREET, SECTION B, IRVINE, CA
BAN19980838 JP FUNDING, INC.
FOR A MORTGAGE LENDER'S LICENSE
BAN19980839 ASSOCIATES FINANCIAL SERVICES COMPANY OF DELAWARE, INC.
TO RELOCATE MORTGAGE LENDERS'S OFFICE FROM 300 E. CARPENTER FREEWAY, IRVING, TX TO 105 DECKER DRIVE, 7TH FLOOR, IRVING, TX
BAN19980840 FIRST COLONIAL BANK
TO OPEN A BRANCH AT 2141 EAST HUNDRED ROAD, ENON, VA
BAN19980841 TICO CREDIT COMPANY, INC.
TO CONDUCT CONSUMER FINANCE BUSINESS WHERE MORTGAGE LENDING BUSINESS WILL ALSO BE CONDUCTED
BAN19980842 TICO CREDIT COMPANY, INC.
TO CONDUCT CONSUMER FINANCE BUSINESS WHERE BUSINESS LOANS WILL ALSO BE MADE
BAN19980843 TICO CREDIT COMPANY, INC.
TO CONDUCT CONSUMER FINANCE BUSINESS WHERE SALES FINANCE BUSINESS WILL ALSO BE CONDUCTED
BAN19980845 CUNA MORTGAGE CORPORATION
FOR A MORTGAGE LENDER'S LICENSE
BAN19980846 CRAWFORD, MICHAEL O.
FOR A MORTGAGE BROKER'S LICENSE
BAN19980847 1ST SOUTHERN FINANCIAL GROUP INC.
FOR A MORTGAGE BROKER'S LICENSE
BAN19980848 NEW CENTURY CORPORATION (USED IN VA BY: NEW CENTURY MORTGAGE CORPORATION)
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 2231 CRYSTAL DRIVE, SUITE 500, ARLINGTON, VA
BAN19980849 LONG BEACH MORTGAGE COMPANY D/B/A FINANCING USA
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 7887 E. BELLEVIEW AVENUE, SUITE 750, DENVER, CO
BAN19980850 LONG BEACH MORTGAGE COMPANY D/B/A FINANCING USA
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 7887 E. BELLEVIEW AVENUE, SUITE 725, DENVER, CO
BAN19980851 CONTIMORTGAGE CORPORATION
TO OPEN A MORTGAGE LENDER'S OFFICE AT 1515 MARTIN BOULEVARD, MIDDLE RIVER, MD
BAN19980852 CRESTAR BANK
TO OPEN A BRANCH AT WAYNESBORO KOGER, 245 ARCH AVENUE, WAYNESBORO, VA
BAN19980853 MIDAS MORTGAGE, LLC
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 400 J-1 SOUTHLAKE BOULEVARD, RICHMOND, VA TO 400 C SOUTHLAKE BOULEVARD, RICHMOND, VA
BAN19980854 THOMAS, KOCHUMMEN K. D/B/A A-1 REALTY MORTGAGE COMPANY
FOR A MORTGAGE BROKER'S LICENSE
BAN19980855 CRABTREE, STEPHANIE K. T/A EMERALD FINANCIAL
FOR A MORTGAGE BROKER'S LICENSE
BAN19980856 BANK OF ISLE OF WIGHT
TO OPEN A BRANCH AT 776 J. CLYDE MORRIS BOULEVARD, NEWPORT NEWS, VA
BAN19980857 LIBERTY MORTGAGE CORPORATION
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 2800 ELECTRIC ROAD, SUITE 105, ROANOKE, VA TO TANGLEWOOD WEST, 3959 ELECTRIC ROAD, SUITE 400, ROANOKE, VA
BAN19980858 LIBERTY MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 10512 WALTER THOMPSON DRIVE, VIENNA, VA
BAN19980859 MAXIMUM FUNDING, L.L.C.
FOR A MORTGAGE BROKER'S LICENSE
BAN19980860 ASSOCIATES HOUSING FINANCE, LLC
TO OPEN A MORTGAGE LENDER'S OFFICE AT 307 JEFFERSON STREET, EATONTON, GA
BAN19980861 SOUTHERN SHOWCASE FINANCE, INC.
FOR A MORTGAGE LENDER AND BROKER LICENSE
BAN19980862 FULL SPECTRUM LENDING, INC.
TO OPEN A MORTGAGE LENDER'S OFFICE AT 1600 GOLF ROAD, ROLLING MEADOWS, IL
BAN19980863 COUNTRYWIDE HOME LOANS, INC. D/B/A AMERICA'S WHOLESALE LENDER
TO OPEN A MORTGAGE LENDER'S OFFICE AT 1600 GOLF ROAD, ROLLING MEADOWS, IL
BAN19980864 CAPITAL ASSETS FINANCIAL, INC.
FOR A MORTGAGE BROKER'S LICENSE
BAN19980865 EAST COAST MORTGAGE CORP.
FOR A MORTGAGE LENDER'S LICENSE
BAN19980866 TRAVELERS GROUP INC.
TO ACQUIRE CITICORP SERVICES INC.
BAN19980867 ACCESS MORTGAGE SERVICES, INC.
FOR A MORTGAGE LENDER AND BROKER LICENSE

BAN19980868 GMAC MORTGAGE CORPORATION
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 5544 FRANKLIN ROAD, NASHVILLE, TN TO 6 CADILLAC DRIVE, CREEKSIDE CROSSING, BRENTWOOD, TN
BAN19980869 VA MORTGAGE SERVICE CORP.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 430 CRAWFORD PARKWAY, PORTSMOUTH, VA TO 505 SOUTH INDEPENDENCE BOULEVARD, SUITE 101-102, VIRGINIA BEACH, VA
BAN19980870 INDEPENDENT REALTY CAPITAL CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 2900 S. BRISTOL STREET, SUITE D203, COSTA MESA, CA
BAN19980871 DIVERSIFIED CAPITAL CORPORATION OF TENNESSEE
FOR A MORTGAGE LENDER'S LICENSE
BAN19980872 FRANKLIN FINANCIAL MORTGAGE CORPORATION
FOR A MORTGAGE BROKER'S LICENSE
BAN19980873 UNIVERSAL TRUST MORTGAGE CORPORATION
FOR A MORTGAGE BROKER'S LICENSE
BAN19980874 STONE CASTLE FINANCIAL INC.
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 17609 VENTURA BOULEVARD, SUITE 106, ENCINO, CA TO 4312 WOODMAN AVENUE, SHERMAN OAKS, CA
BAN19980875 STERLING MORTGAGE CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 105 WESTWOOD OFFICE PARK, FREDERICKSBURG, VA
BAN19980876 SALEM FINANCIAL LC
TO OPEN A MORTGAGE BROKER'S OFFICE AT 329 KING GEORGE AVENUE, S.W., ROANOKE, VA
BAN19980877 EXPRESS MORTGAGE, INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 690-B J. CLYDE MORRIS BOULEVARD, NEWPORT NEWS, VA
BAN19980878 FIRST NATIONAL BANK OF MARYLAND
TO OPEN A BRANCH AT 8601 WESTWOOD CENTER DRIVE, VIENNA, VA
BAN19980879 HARLESS, JAMES L.
TO ACQUIRE 100 PERCENT OF AGGRESSIVE MORTGAGE CORP.
BAN19980880 RESIDENTIAL MORTGAGE CORP.
FOR ADDITIONAL MORTGAGE AUTHORITY
BAN19980881 CITIZENS MORTGAGE CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 1726 MILTON ROAD, SUITE 219, BALTIMORE, MD
BAN19980882 FIRST HORIZON HOME MORTGAGE, INC.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 218-6 SWING ROAD, GREENSBORO, NC TO 502-L EAST CORNWALLIS DRIVE, GREENSBORO, NC
BAN19980883 UNIVERSAL LENDING GROUP, INC., II
FOR A MORTGAGE LENDER AND BROKER LICENSE
BAN19980884 FIRST VIRGINIA BANK
TO OPEN A BRANCH AT 5844 MAPLEDALE PLAZA, WOODBRIDGE, VA
BAN19980885 VALUTA, ORLANDI
FOR A MONEY ORDER LICENSE
BAN19980886 FIRST INDUSTRIAL LOAN ASSOCIATION
TO RELOCATE INDUSTRIAL LOAN OFFICE FROM REFLECTIONS I, SUITE 320, VIRGINIA BEACH, VA TO 300 SOUTHPORT CIRCLE, SUITE 103, VIRGINIA BEACH, VA
BAN19980887 ROCK FINANCIAL CORPORATION
FOR A MORTGAGE LENDER'S LICENSE
BAN19980888 FIRST GREENSBORO HOME EQUITY, INC.
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 4830 KOGER BOULEVARD, GREENSBORO, NC TO 1801 STANLEY ROAD, SUITE 400, GREENSBORO, NC
BAN19980889 FIRST GREENSBORO HOME EQUITY, INC.
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 308-J POMONA DRIVE, GREENSBORO, NC TO 1801 STANLEY ROAD, SUITE 400, GREENSBORO, NC
BAN19980890 BANK OF MCKENNEY
TO ESTABLISH AN EFT AT ETTRICK CHEVRON, 3000 E. RIVER ROAD, ETTRICK, VA
BAN19980891 F & M BANK-CENTRAL VIRGINIA
TO OPEN A BRANCH AT NORTHWEST CORNER OF U.S. ROUTE 29 SOUTH AND STATE ROUTE 607, GREENE COUNTY, VA
BAN19980892 CRESTAR BANK
TO RELOCATE OFFICE FROM 206 HARUNDALE MALL, GLEN BURNIE, MD TO GOVERNOR RITCHIE HIGHWAY AND FARRINGTON ROAD, GLEN BURNIE, MD
BAN19980893 SECOND BANK & TRUST
TO OPEN A BRANCH AT 390 UNIVERSITY BOULEVARD, HARRISONBURG, VA
BAN19980894 DOMAIN FINANCIAL GROUP, INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 3 BETHESDA METRO CENTER, SUITE 700, BETHESDA, MD
BAN19980895 ALEXANDRIA FOREX BUREAU, INC.
FOR A MONEY ORDER LICENSE
BAN19980896 CHARTERED FOREX, INC.
FOR A MONEY ORDER LICENSE
BAN19980897 FIDELITY FIRST MORTGAGE, LLC
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 10025 GOVERNOR WARFIELD PARKWAY, COLUMBIA, MD TO 11000 BROKEN LAND PARKWAY, THIRD FLOOR, COLUMBIA, MD

BAN19980899 ATLANTIC BAY MORTGAGE GROUP, L.L.C.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 9101-F TIMBERLAKE ROAD, LYNCHBURG, VA TO 8435 TIMBERLAKE ROAD, LYNCHBURG, VA
BAN19980900 BANK OF HAMPTON ROADS, THE
TO OPEN A BRANCH AT BORDER STATION SHOPPING CENTER, STATE ROUTE 168, CHESAPEAKE, VA
BAN19980901 JEFFERSON MORTGAGE GROUP, LTD
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 10300 EATON PLACE, SUITE 180, FAIRFAX, VA TO 10461 WHITE GRANITE DRIVE, SUITE 225, OAKTON, VA
BAN19980902 GREEN TREE FINANCIAL SERVICING CORPORATION
TO RELOCATE MORTGAGE LENDERS'S OFFICE FROM 3101 POPLARWOOD COURT, SUITE 127, RALEIGH, NC TO 2501 BLUE RIDGE ROAD, SUITE 200, RALEIGH, NC
BAN19980903 EQUITY ONE CONSUMER DISCOUNT COMPANY, INC. D/B/A EQUITY ONE CONSUMER LOAN
TO OPEN A CONSUMER FINANCE OFFICE
BAN19980904 EQUITY ONE CONSUMER DISCOUNT COMPANY, INC. D/B/A EQUITY ONE CONSUMER LOAN
TO CONDUCT CONSUMER FINANCE BUSINESS WHERE MORTGAGE LENDING BUSINESS WILL ALSO BE CONDUCTED
BAN19980905 EQUITY ONE CONSUMER DISCOUNT COMPANY, INC. D/B/A EQUITY ONE CONSUMER LOAN
TO CONDUCT CONSUMER FINANCE BUSINESS WHERE PROPERTY INSURANCE BUSINESS WILL ALSO BE CONDUCTED
BAN19980906 EQUITY ONE CONSUMER DISCOUNT COMPANY, INC. D/B/A EQUITY ONE CONSUMER LOAN
TO CONDUCT CONSUMER FINANCE BUSINESS WHERE SALES FINANCE BUSINESS WILL ALSO BE CONDUCTED
BAN19980907 EQUITY ONE CONSUMER DISCOUNT COMPANY, INC. D/B/A EQUITY ONE CONSUMER LOAN
TO CONDUCT CONSUMER FINANCE BUSINESS WHERE MORTGAGE BROKERING BUSINESS WILL ALSO BE CONDUCTED
BAN19980908 MORTGAGE ONE, INC.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 6290 MONTROSE ROAD, ROCKVILLE, MD TO 11821 PARKLAWN DRIVE, SUITE 110, ROCKVILLE, MD
BAN19980909 CHESAPEAKE INVESTMENT & MORTGAGE CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 89 N. MAIN STREET, KILMARNOCK, VA
BAN19980910 NOVASTAR MORTGAGE, INC.
TO OPEN A MORTGAGE LENDER'S OFFICE AT 7900 GLADES ROAD, SUITE 150, BOCA RATON, FL
BAN19980911 TRI-FEDERAL MORTGAGE CORPORATION
FOR A MORTGAGE BROKER'S LICENSE
BAN19980912 FOUNDATION FUNDING GROUP, INC.
FOR A MORTGAGE LENDER'S LICENSE
BAN19980913 FARMERS & MERCHANTS BANK-EASTERN SHORE
TO MERGE INTO IT THE MARINE BANK
BAN19980914 MERCANTILE BANKSHARES CORPORATION
TO ACQUIRE THE MARINE BANCORP, INC., CHINCOTEAGUE, VA
BAN19980915 MERION GROUP, L.C., THE
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 315 MAIN STREET, RANCOCAS, NJ
BAN19980916 ALLIED MORTGAGE UNLIMITED, INC.
FOR A MORTGAGE BROKER'S LICENSE
BAN19980917 BANK OF TIDEWATER, THE
TO OPEN A BRANCH AT 6330 NEWTOWN ROAD, SUITE 100, NORFOLK, VA
BAN19980918 WARNS, JR., JAMES T. T/A TOWN & COUNTRY MORTGAGE
FOR A MORTGAGE BROKER'S LICENSE
BAN19980919 AMERICAN SKYCORP, INC.
FOR A MORTGAGE LENDER AND BROKER LICENSE
BAN19980920 MORTGAGE ACCESS CORP.
TO OPEN A MORTGAGE LENDER'S OFFICE AT 10201 MAIN STREET, FAIRFAX, VA
BAN19980921 GMAC MORTGAGE CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 200 CENTURY PARKWAY, MT. LAUREL, NJ
BAN19980922 CRESTAR BANK
TO OPEN A BRANCH AT THE MARKET PLACE AT COLLEGE PARK, 4740 CHERRY HILL ROAD, COLLEGE PARK, MD
BAN19980923 MADISON MORTGAGE, INC.
FOR A MORTGAGE BROKER'S LICENSE
BAN19980924 CREWS, JANIS J. D/B/A GOLD STAR MORTGAGE SERVICES
FOR A MORTGAGE BROKER'S LICENSE
BAN19980925 HOMEFREE MORTGAGE COMPANY, LLC
FOR A MORTGAGE LENDER'S LICENSE
BAN19980926 FORTRESS MORTGAGE, INC.
FOR A MORTGAGE LENDER AND BROKER LICENSE
BAN19980927 VIRGINIA HOME MORTGAGE NETWORK, INC.
FOR A MORTGAGE BROKER'S LICENSE
BAN19980928 FEDERATED MORTGAGE, INC.
FOR A MORTGAGE BROKER'S LICENSE
BAN19980929 CTX MORTGAGE COMPANY
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 3100 MCKINNON, SUITE 300, DALLAS, TX
BAN19980930 CTX MORTGAGE COMPANY
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 1001 BOULDERS PARKWAY, SUITE 110, RICHMOND, VA
BAN19980931 TWENTY-FIRST CENTURY LENDING CORP.
FOR A MORTGAGE LENDER AND BROKER LICENSE

BAN19980932 SUNTRUST BANKS, INC.
TO ACQUIRE CRESTAR FINANCIAL CORPORATION, RICHMOND, VA
BAN19980933 NATIONWIDE HOME MORTGAGE, INC.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 932 HUNGERFORD DRIVE, SUITE 16B, ROCKVILLE, MD TO 15823-A CRABBS BRANCH WAY, ROCKVILLE, MD
BAN19980934 HOUSEHOLD REALTY CORPORATION D/B/A HOUSEHOLD REALTY CORPORATION OF VIRGINIA
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM NEWMARKET SHOPPING CENTER, HAMPTON, VA TO 2040 COLISEUM DRIVE, SUITE A-14, HAMPTON, VA
BAN19980935 FIRST PACIFIC FINANCIAL, INC.
TO RELOCATE MORTGAGE LENDERS'S OFFICE FROM 565 BENFIELD ROAD, SUITE 300, SEVERNA PARK, MD TO 111 BENFIELD ROAD, SUITE 250, MILLERSVILLE, MD
BAN19980936 UNITY MORTGAGE CORP. D/B/A THE REVERSE MORTGAGE COMPANY
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 6600 PEACHTREE DUNWOODY ROAD, ATLANTA, GA TO 7840 ROSWELL ROAD, BUILDING 300, SUITE 301, ATLANTA, GA
BAN19980937 1ST CONTINENTAL MORTGAGE, INC.
FOR A MORTGAGE BROKER'S LICENSE
BAN19980938 MORTGAGE ACCESS CORP.
TO OPEN A MORTGAGE LENDER'S OFFICE AT 1313 DOLLY MADISON BOULEVARD, MCLEAN, VA
BAN19980939 COLUMBIA NATIONAL, INCORPORATED
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 1600 N. COALTER STREET, SUITE 17B, STAUNTON, VA TO 2303 NORTH AUGUSTA STREET, UNIT D, STAUNTON, VA
BAN19980940 INDYMAC, INC. D/B/A LOANWORKS
TO OPEN A MORTGAGE LENDER'S OFFICE AT 111 CONGRESSIONAL BOULEVARD, SUITE 290, CARMEL, IN
BAN19980941 INDYMAC, INC. D/B/A LOANWORKS
TO OPEN A MORTGAGE LENDER'S OFFICE AT 16265 LAGUNA CANYON ROAD, IRVINE, CA
BAN19980942 INDYMAC, INC. D/B/A LOANWORKS
TO OPEN A MORTGAGE LENDER'S OFFICE AT ONE FIRST OF AMERICA PARKWAY, BUILDING B, KALAMAZOO, MI
BAN19980943 INDYMAC, INC. D/B/A LOANWORKS
TO OPEN A MORTGAGE LENDER'S OFFICE AT 400 INTERSTATE NORTH PARKWAY, 200 PLATINUM TOWER, ATLANTA, GA
BAN19980944 INDYMAC, INC. D/B/A LOANWORKS
TO OPEN A MORTGAGE LENDER'S OFFICE AT 15050 AVENUE OF SCIENCE, SUITE 101, SAN DIEGO, CA
BAN19980945 CTX MORTGAGE COMPANY
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 806 GOVERNOR'S DRIVE, SUITE 206, HUNTSVILLE, AL
BAN19980946 CARTERET MORTGAGE CORPORATION
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 2447 SHENANDOAH STREET, VIENNA, VA TO 9265 CORPORATE CIRCLE, MANASSAS, VA
BAN19980947 CARTERET MORTGAGE CORPORATION
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 4312-A EVERGREEN LANE, ANNANDALE, VA TO 13022 STURBRIDGE ROAD, WOODBRIDGE, VA
BAN19980948 CARTERET MORTGAGE CORPORATION
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 2804 S. ARLINGTON RIDGE ROAD, ARLINGTON, VA TO 2188 HARPOON DRIVE, STAFFORD, VA
BAN19980949 CARTERET MORTGAGE CORPORATION
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 7400 LUCERNE LANE, SUITE 30, ANNANDALE, VA TO 12507 COLBY DRIVE, LAKE RIDGE, VA
BAN19980950 CARTERET MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 5007-2 TRUEMPER WAY, FORT WAYNE, IN
BAN19980951 CARTERET MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 3689 ALBERT MATHEWS ROAD, COLUMBIA, TN
BAN19980952 CARTERET MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 4021 CHESTNUT STREET, FAIRFAX, VA
BAN19980953 CARTERET MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 2725 HUNGARY SPRINGS ROAD, RICHMOND, VA
BAN19980954 CARTERET MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 2721 JONES ROAD, DUNKIRK, MD
BAN19980955 CARTERET MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 1019 WOODLAWN AVENUE, NORFOLK, VA
BAN19980956 CARTERET MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 9116 CENTER STREET, SUITE 201, MANASSAS, VA
BAN19980957 CARTERET MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 14106 SAILING ROAD, OCEAN CITY, MD
BAN19980958 CARTERET MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 1104-B PINEHURST ROAD, DUNEDIN, FL
BAN19980959 NATIONSCREDIT FINANCIAL SERVICES CORPORATION OF VIRGINIA
TO RELOCATE CONSUMER FINANCE OFFICE FROM 3635 FRANKLIN ROAD, ROANOKE COUNTY, VA TO 3241 ELECTRIC ROAD, S.W., SUITE 2-B, ROANOKE COUNTY, VA
BAN19980960 ASSOCIATES FINANCIAL SERVICES OF AMERICA, INC.
TO OPEN A MORTGAGE LENDER'S OFFICE AT 6 EXECUTIVE PARK DRIVE, N.E., SUITE 300, ATLANTA, GA
BAN19980961 ASSOCIATES FINANCIAL SERVICES OF AMERICA, INC.
TO OPEN A MORTGAGE LENDER'S OFFICE AT 101 NORTH WELCH ROAD, SUITE 100, DENTON, TX

BAN19980962 ASSOCIATES FINANCIAL SERVICES OF AMERICA, INC.
TO OPEN A MORTGAGE LENDER'S OFFICE AT 111 EAST 300 SOUTH, SUITE 400, SALT LAKE CITY, UT
BAN19980963 IMC MORTGAGE COMPANY
TO RELOCATE MORTGAGE LENDERS'S OFFICE FROM 25 BLACKSTONE VALLEY PLACE, LINCOLN, RI TO 11 BLACKSTONE VALLEY PLACE, LINCOLN, RI
BAN19980964 COREWEST MORTGAGE COMPANY (USED IN VA. BY: COREWEST BANC)
TO OPEN A MORTGAGE LENDER'S OFFICE AT 2115 BUTTERFIELD ROAD, SUITE 205, OAKBROOK TERRACE, IL
BAN19980965 OCEANMARK FINANCIAL CORPORATION
TO OPEN A MORTGAGE LENDER'S OFFICE AT 6401 GOLDEN TRIANGLE DRIVE, SUITE 450, GREENBELT, MD
BAN19980966 CITIZENS MORTGAGE CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 11130 MAIN STREET, SUITE 200, FAIRFAX, VA
BAN19980967 AMERICAN REALTY MORTGAGE, INC.
TO RELOCATE A MORTGAGE BROKER'S OFFICE FROM 966 HUNGERFORD DRIVE, SUITE 26A, ROCKVILLE, MD TO 849-A QUINCE ORCHARD BOULEVARD, GAITHERSBURG, MD
BAN19980968 MORTGAGE SERVICE OF VIRGINIA, INC.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 740 MT. PLEASANT ROAD, SHAWSVILLE, VA TO 560 TOWER ROAD, CHRISTIANSBURG, VA
BAN19980969 ABBEY MORTGAGE AND FINANCIAL SERVICES, INC. D/B/A ABBEY MORTGAGE
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 720 MOOREFIELD PARK DRIVE, SUITE 201, RICHMOND, VA TO 804 MOOREFIELD PARK DRIVE, SUITE 106, RICHMOND, VA
BAN19980970 MORTGAGE PROCESSING, INC. D/B/A FIRST COLONIAL MORTGAGE
TO OPEN A MORTGAGE BROKER'S OFFICE AT 1026 WARRENTON ROAD, FREDERICKSBURG, VA
BAN19980971 CTX MORTGAGE COMPANY
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 3000 UNITED FOUNDERS BOULEVARD, SUITE 235, OKLAHOMA CITY, OK
BAN19980972 KIM, JOO DONG T/A DIME MORTGAGE SERVICE
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 6601 LITTLE RIVER TURNPIKE, SUITE 140, ALEXANDRIA, VA TO 7320 MCWHORTER PLACE, ANNANDALE, VA
BAN19980973 STAR CITY MORTGAGE, INC.
FOR A MORTGAGE BROKER'S LICENSE
BAN19980974 HOMESTEAD MORTGAGE COMPANY, THE D/B/A HOMESTEAD USA, INC.
FOR A MORTGAGE LENDER AND BROKER LICENSE
BAN19980975 AMERICA'S MONEYLINE, INC.
TO ACQUIRE 100 PERCENT OF RBO FUNDING, INC.
BAN19980976 INDYMAC, INC. D/B/A LOANWORKS
TO OPEN A MORTGAGE LENDER'S OFFICE AT 375 NORTHRIDGE ROAD, SUITE 290, ATLANTA, GA
BAN19980977 CBSK FINANCIAL GROUP, INC. D/B/A AMERICAN HOME LOANS
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 181 KINGS HIGHWAY, SUITE 111, FREDERICKSBURG, VA
BAN19980978 AFFINITY GROUP MORTGAGE, INC.
FOR A MORTGAGE LENDER AND BROKER LICENSE
BAN19980979 CARTERET MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 46744 ABINGTON TERRACE, POTOMAC FALLS, VA
BAN19980980 CARTERET MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT SUNRISE DRIVE, BOX 443 A1, FORT ASHBY, WV
BAN19980981 BOTTOMLINE MORTGAGE, INC.
FOR A MORTGAGE LENDER'S LICENSE
BAN19980982 FAUQUIER BANK, THE
TO OPEN A BRANCH AT 8097 SUDLEY ROAD, PRINCE WILLIAM COUNTY, VA
BAN19980983 SOUTHEAST FUNDING, INC. D/B/A CHESAPEAKE BAY MORTGAGE FUNDING
FOR A MORTGAGE LENDER AND BROKER LICENSE
BAN19980984 CHESAPEAKE MORTGAGE FINANCIAL CORPORATION
FOR A MORTGAGE BROKER'S LICENSE
BAN19980985 FULL SPECTRUM LENDING, INC.
TO OPEN A MORTGAGE LENDER'S OFFICE AT 1130-A W. BROAD STREET, FALLS CHURCH, VA
BAN19980986 BANK OF MCKENNEY
TO RELOCATE OFFICE FROM 6700 RIVER ROAD, MATOACA, VA TO 6300 RIVER ROAD, MATOACA, VA
BAN19980987 TRANSOUTH MORTGAGE CORPORATION
TO OPEN A MORTGAGE LENDER'S OFFICE AT 1332 VOLUNTEER PARKWAY, BRISTOL, TN
BAN19980988 ATLAS CAPITAL FUNDING, INC.
TO RELOCATE MORTGAGE LENDERS'S OFFICE FROM 11785 BELTSVILLE DRIVE, SUITE 830, BELTSVILLE, MD TO 8253 BACKLICK ROAD, SUITE D, LORTON, VA
BAN19980989 MERCURY FINANCE COMPANY OF VIRGINIA
TO OPEN A CONSUMER FINANCE OFFICE
BAN19980990 LOAN CONSOLIDATION AND REFINANCING COMPANY, LLC
FOR A MORTGAGE BROKER'S LICENSE
BAN19980991 DOMINION FIRST, INC.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 1312 VINCENT PLACE, MCLEAN, VA TO 1320 VINCENT PLACE, MCLEAN, VA
BAN19980992 SOUTHPOINT FINANCIAL SERVICES, INC.
FOR A MORTGAGE LENDER'S LICENSE

BAN19980993 CHANCELLOR EQUITY, INC.
FOR A MORTGAGE BROKER'S LICENSE
BAN19980994 MOLTON, ALLEN & WILLIAMS CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 1003 K STREET, N.W., SUITE 207, WASHINGTON, DC
BAN19980995 AMERICAN DREAM CORPORATION, THE D/B/A MORTGAGE FUNDING SERVICES, INC.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 6826 BEECHVIEW DRIVE, FALLS CHURCH, VA TO 7309 ARLINGTON BOULEVARD, SUITE 205, FALLS CHURCH, VA
BAN19980996 METRO-COUNTY BANK OF VIRGINIA, INC.
TO OPEN A BRANCH AT 2801 NORTH PARHAM ROAD, HENRICO COUNTY, VA
BAN19980997 MORTGAGE EDGE CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 2146 JEFFERSON DAVIS HIGHWAY, SUITE 1-N, STAFFORD, VA
BAN19980998 MOLTON, ALLEN & WILLIAMS CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 3545 CHAIN BRIDGE ROAD, SUITE 205, FAIRFAX, VA
BAN19980999 FAIRFAX MORTGAGE INVESTMENTS INC.
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 4663 HAYGOOD ROAD, SUITE 208, VIRGINIA BEACH, VA
BAN19981000 BRANCH BANKING AND TRUST COMPANY OF VIRGINIA
TO RELOCATE OFFICE FROM 5101 CLEVELAND STREET, SUITE 101, VIRGINIA BEACH, VA TO 109 EAST MAIN STREET, NORFOLK, VA
BAN19981001 H K STONE FINANCIAL CORP.
FOR A MORTGAGE BROKER'S LICENSE
BAN19981002 VIRGINIA CREDIT UNION, INC.
TO OPEN A CREDIT UNION SERVICE OFFICE AT 731 HARRISON STREET, SALEM, VA
BAN19981003 CENTEX CREDIT CORPORATION D/B/A CENTEX HOME EQUITY CORPORATION
TO RELOCATE MORTGAGE LENDERS'S OFFICE FROM 621 LYNNHAVEN PARKWAY, SUITE 275, VIRGINIA BEACH, VA TO 300 ARBORETUM PLACE, SUITE 140, RICHMOND, VA
BAN19981004 MERCURY FINANCE COMPANY OF VIRGINIA
TO OPEN A CONSUMER FINANCE OFFICE
BAN19981005 NEWPORT NEWS SHIPBUILDING EMPLOYEES' CREDIT UNION, INC.
TO OPEN A CREDIT UNION SERVICE OFFICE AT 5028 GEORGE WASHINGTON MEMORIAL HIGHWAY, GRAFTON, VA
BAN19981006 RODGERS, NELSON D. T/A ALL VIRGINIA MORTGAGE CO.
FOR A MORTGAGE BROKER'S LICENSE
BAN19981007 MID-ATLANTIC COMMUNITY BANKGROUP, INC.
TO ACQUIRE UNITED COMMUNITY BANKSHARES, INC. FRANKLIN, VA
BAN19981008 BRANCH BANKING AND TRUST COMPANY OF VIRGINIA
TO RELOCATE OFFICE FROM 316 S. JEFFERSON STREET, ROANOKE, VA TO 37 CHURCH AVENUE, SW, ROANOKE, VA
BAN19981009 AMERICREDIT CORPORATION OF CALIFORNIA D/B/A AMERICREDIT MORTGAGE SERVICES
FOR A MORTGAGE LENDER'S LICENSE
BAN19981010 INFINITY MORTGAGE CORPORATION
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 2409 TIMBER RUN, VIRGINIA BEACH, VA TO 2700 VIRGINIA BEACH BOULEVARD, VIRGINIA BEACH, VA
BAN19981011 FIRST VIRGINIA BANK - SOUTHWEST
TO OPEN A BRANCH AT 7480 LEE HIGHWAY, RADFORD, VA
BAN19981012 INVESTAID CORPORATION D/B/A EQUITREE FINANCIAL SERVICES
FOR A MORTGAGE LENDER AND BROKER LICENSE
BAN19981013 INDYMAC, INC. D/B/A LOANWORKS
TO OPEN A MORTGAGE LENDER'S OFFICE AT 4010 LAKE WASHINGTON BOULEVARD, KIRKLAND, WA
BAN19981014 INDYMAC MORTGAGE HOLDINGS, INC.
TO OPEN A MORTGAGE LENDER'S OFFICE AT 4010 LAKE WASHINGTON BOULEVARD, KIRKLAND, WA
BAN19981015 EADES & LOWER MORTGAGE COMPANY, INC.
FOR A MORTGAGE BROKER'S LICENSE
BAN19981016 INDEPENDENT REALTY CAPITAL CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 28765 SINGLE OAK DRIVE, SUITE 250, TEMECULA, CA
BAN19981017 CBSK FINANCIAL GROUP, INC. D/B/A AMERICAN HOME LOANS
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 5601 SEMINARY ROAD, 2110 NORTH, FALLS CHURCH, VA
BAN19981018 PYRAMID MORTGAGE, INC.
FOR A MORTGAGE BROKER'S LICENSE
BAN19981019 INDEPENDENT REALTY CAPITAL CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 15991 REDHILL AVENUE, SUITE 220, TUSTIN, CA
BAN19981020 E. M. WILLIS MORTGAGE CORPORATION
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 11900 PARKLAWN DRIVE, SUITE 403, ROCKVILLE, MD TO 121 CONGRESSIONAL LANE, ROCKVILLE, MD
BAN19981021 STERLING MORTGAGE CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 2953 VIRGINIA BEACH BOULEVARD, SUITE 101, VIRGINIA BEACH, VA
BAN19981022 BENEFICIAL MORTGAGE CO. OF VIRGINIA
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 577 LAMONT ROAD, ELMHURST, IL
BAN19981023 BENEFICIAL DISCOUNT CO. OF VIRGINIA
TO OPEN A MORTGAGE LENDER'S OFFICE AT 577 LAMONT ROAD, ELMHURST, IL
BAN19981024 PRINCIPAL RESIDENTIAL MORTGAGE, INC.
TO OPEN A MORTGAGE LENDER'S OFFICE AT 3015 HARTLEY ROAD, SUITE 15, JACKSONVILLE, FL

BAN19981025 BENCHMARK MORTGAGE, INC.
FOR ADDITIONAL MORTGAGE AUTHORITY
BAN19981026 PROVIDENT FUNDING GROUP, INC.
FOR A MORTGAGE LENDER'S LICENSE
BAN19981027 FIRST VIRGINIA BANK OF TIDEWATER
TO RELOCATE OFFICE FROM 7901 HALPRIN DRIVE, NORFOLK, VA TO 2222 EAST LITTLE CREEK ROAD, NORFOLK, VA
BAN19981028 SOUTHERN TRUST MORTGAGE, LLC
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 22639 CENTER PARKWAY, ACCOMAC, VA
BAN19981029 CHOICE FINANCE CORPORATION
FOR A MORTGAGE BROKER'S LICENSE
BAN19981030 EDWARD D. JONES & CO., L.P.
FOR A MORTGAGE BROKER'S LICENSE
BAN19981031 FIDELITY TRUST MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 830 E. MAIN STREET, 20TH FLOOR, SUITE 2000, RICHMOND, VA
BAN19981032 FIDELITY TRUST MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 830 E. MAIN STREET, 20TH FLOOR, SUITE 2001, RICHMOND, VA
BAN19981033 TRANSLAND FINANCIAL SERVICES, INC.
TO OPEN A MORTGAGE LENDER'S OFFICE AT 7015 OLD KEENE MILL ROAD, SUITE 206, SPRINGFIELD, VA
BAN19981034 VIRGINIA CREDIT UNION, INC.
TO OPEN A CREDIT UNION SERVICE OFFICE AT 10165 BROOK ROAD, RICHMOND, VA
BAN19981035 PLANTERS BANK & TRUST COMPANY OF VIRGINIA
TO OPEN A BRANCH AT 1197 NORTH LEE HIGHWAY, ROCKBRIDGE COUNTY, VA
BAN19981036 HARBOR BANK
TO OPEN A BRANCH AT 621 OLD OYSTER POINT ROAD, NEWPORT NEWS, VA
BAN19981037 FIRST GUARANTY MORTGAGE CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 5501 BACKLICK ROAD, SUITE 100, SPRINGFIELD, VA
BAN19981038 HAMPTON ROADS FUNDING CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 4555 PROGRESS ROAD, NORFOLK, VA
BAN19981039 COLUMBIA NATIONAL, INCORPORATED
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 3825 LEONARDTOWN ROAD, SUITE 5, WALDORF, MD TO 3825 LEONARDTOWN ROAD, UNITS 2 AND 3, WALDORF, MD
BAN19981040 FIDELITY TRUST MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 3100 EAST AZTEC AVENUE, GALLUP, NM
BAN19981041 CBSK FINANCIAL GROUP, INC. D/B/A AMERICAN HOME LOANS
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 725 CUMBERLAND AVENUE, WEST LAFAYETTE, IN
BAN19981042 ELITE FUNDING CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 7474 GREENWAY CENTER DRIVE, SUITE 1050, GREENBELT, MD
BAN19981043 MERCURY FINANCE COMPANY OF VIRGINIA
TO CONDUCT CONSUMER FINANCE BUSINESS WHERE SALES FINANCE BUSINESS WILL ALSO BE CONDUCTED
BAN19981044 FIRST BANK
TO OPEN A BRANCH AT 661 NORTH LOUDOUN STREET, WINCHESTER, VA
BAN19981045 CAMBRIDGE MORTGAGE CORPORATION
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 532 BALTIMORE BOULEVARD, SUITE 407, WESTMINSTER, MD TO 532 BALTIMORE BOULEVARD, SUITE 311A, WESTMINSTER, MD
BAN19981046 REALCO FUNDING GROUP, LC
TO RELOCATE MORTGAGE LENDERS'S OFFICE FROM 4306 EVERGREEN LANE, SUITE 202, ANNANDALE, VA TO 7611 LITTLE RIVER TURNPIKE, SUITE 203W, ANNANDALE, VA
BAN19981047 VIRGINIA CREDIT UNION, INC.
TO RELOCATE CREDIT UNION OFFICE FROM 731 HARRISON STREET, SALEM, VA TO 6425 WILLIAMSON ROAD, ROANOKE, VA
BAN19981048 OXFORD MORTGAGE SERVICES, LLC
FOR A MORTGAGE BROKER'S LICENSE
BAN19981049 BEHELER, STEVEN M.
TO OPEN A CHECK CASHER AT 5130-B WILLIAMSON ROAD, ROANOKE, VA
BAN19981050 JKS HOLDING CORP.
TO ACQUIRE 100 PERCENT OF SOUTHEAST MORTGAGE BANKING CORP.
BAN19981051 MERCURY FINANCE COMPANY OF VIRGINIA
TO OPEN A CONSUMER FINANCE OFFICE
BAN19981052 MEXICO EXPRESS OF NEVADA, L.L.C.
FOR A MONEY ORDER LICENSE
BAN19981053 CRESTAR BANK
TO OPEN A BRANCH AT 640 W. SOUTHSIDE PLAZA, RICHMOND, VA
BAN19981054 PROVIDENCE ONE, INC.
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 338 WEST OLNEY ROAD, NORFOLK, VA
BAN19981055 FIRST STREET MORTGAGE CORP.
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 404 BNA DRIVE, SUITE 307, NASHVILLE, TN
BAN19981056 FIRST BANCORP MORTGAGE CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 6205 LANSGATE ROAD, MIDLOTHIAN, VA

BAN19981057 MCDANIEL, PAUL KEITH T/A DIVERSIFIED MORTGAGE BROKERS
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 100 COPLEY PLACE, LYNCHBURG, VA TO 100 COPLEY PLACE, SUITE D, LYNCHBURG, VA
BAN19981058 MORTGAGE SOUTH, INC.
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 1115 FRANKLIN TURNPIKE, DANVILLE, VA TO 181 PINEY FOREST ROAD, DANVILLE, VA
BAN19981059 OVERLAKE MORTGAGE COMPANY
FOR A MORTGAGE BROKER'S LICENSE
BAN19981060 ASSOCIATES HOME EQUITY SERVICES, INC.
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 780 LYNNHAVEN PARKWAY, VIRGINIA BEACH, VA TO 780 LYNNHAVEN PARKWAY, SUITE 160, VIRGINIA BEACH, VA
BAN19981061 SOURCE ONE MORTGAGE SERVICES CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 8813 WALTHAM WOODS ROAD, SUITE 203, BALTIMORE, MD
BAN19981062 PREMIER MORTGAGE CORPORATION
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 1999 AVENUE OF THE STARS, 28TH FLOOR, LOS ANGELES, CA TO 1155 CONNECTICUT AVENUE, FIFTH FLOOR, SUITE 500, WASHINGTON, DC
BAN19981063 FIRST HOME MORTGAGE CORPORATION
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 6401 GOLDEN TRIANGLE DR., SUITE 450, GREENBELT, MD TO 7701 GREENBELT ROAD, SECOND FLOOR, SUITE 215, GREENBELT, MD
BAN19981064 FIRST JEFFERSON MORTGAGE CORPORATION D/B/A FIRST JEFFERSON FUNDING
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 2101 EXECUTIVE DRIVE, SUITE 8-D, HAMPTON, VA
BAN19981065 BANK OF ROCKBRIDGE
TO OPEN A BRANCH AT 1746 E. MARKET STREET, HARRISONBURG, VA
BAN19981066 BANK OF ROCKBRIDGE
TO OPEN A BRANCH AT 817 MAIN STREET, BUCHANAN, VA
BAN19981067 GREATER POTOMAC MORTGAGE COMPANY
TO RELOCATE MORTGAGE LENDERS'S OFFICE FROM REFLECTIONS III, SUITE 475, VIRGINIA BEACH, VA TO REFLECTION IV, 2901 SOUTH LYNNHAVEN ROAD, SUITE 120, VIRGINIA BEACH, VA
BAN19981068 COLUMBIA NATIONAL, INCORPORATED
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 1455 OLD BRIDGE ROAD, UNIT 203, WOODBRIDGE, VA
BAN19981069 HARRELL, JR., ADAM N. D/B/A UNITY MORTGAGE
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 3600 WEST BROAD STREET, RICHMOND, VA TO 1904 BYRD AVENUE, SUITE 301, RICHMOND, VA
BAN19981070 PARKWAY MORTGAGE, INC.
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 1099 WINTERSON ROAD, SUITE 140, LINTHICUM, MD TO 1738 ELTON ROAD, SUITE 220, SILVER SPRINGS, MD
BAN19981071 INTEGRITY HOME MORTGAGE LLC
FOR A MORTGAGE BROKER'S LICENSE
BAN19981072 MIDORI MORTGAGE, L.L.C.
FOR A MORTGAGE BROKER'S LICENSE
BAN19981073 SOURCE FINANCIAL GROUP, INC.
FOR A MORTGAGE BROKER'S LICENSE
BAN19981074 ATLANTIC MORTGAGE, INC.
FOR A MORTGAGE BROKER'S LICENSE
BAN19981075 FIRST MORTGAGE NETWORK, INC. D/B/A AMERICAN FINANCE & INVESTMENT
TO RELOCATE MORTGAGE LENDERS'S OFFICE FROM 10306 EATON PLACE, SUITE 220, FAIRFAX, VA TO 8551 WEST SUNRISE BOULEVARD, SUITE 301, PLANTATION, FL
BAN19981076 OPTION ONE MORTGAGE CORPORATION D/B/A H&R BLOCK MORTGAGE
TO OPEN A MORTGAGE LENDER'S OFFICE AT 4400 MAIN STREET, KANSAS CITY, MO
BAN19981077 HOUSEHOLD REALTY CORPORATION D/B/A HOUSEHOLD REALTY CORPORATION OF VIRGINIA
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 7510 GRANBY STREET, NORFOLK, VA TO SOUTHERN SHOPPING CENTER, 7525 TIDEWATER DRIVE, SUITE 39, NORFOLK, VA
BAN19981078 EXCEL MORTGAGE, INC.
FOR A MORTGAGE BROKER'S LICENSE
BAN19981079 MAIN STREET MORTGAGE AND INVESTMENT CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 10551 PATTERSON AVENUE - B171, RICHMOND, VA
BAN19981080 FIRST VIRGINIA BANK OF TIDEWATER
TO RELOCATE OFFICE FROM 9636 GRANBY STREET, NORFOLK, VA TO 131 WEST OCEAN VIEW AVENUE, NORFOLK, VA
BAN19981081 ALL MORTGAGE CONNECTIONS, INC.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 816 WEST IREDELL AVENUE, MOORESVILLE, NC TO 111 ALEXANDER ACRES ROAD, MOORESVILLE, NC
BAN19981082 EQUITY CAPITAL MORTGAGE INC.
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 1313 DOLLEY MADISON BLVD., SUITE 200, MCLEAN, VA TO 7002 LITTLE RIVER TURNPIKE, UNIT L, ANNANDALE, VA
BAN19981083 F&M BANK-NORTHERN VIRGINIA
TO OPEN A BRANCH AT 4661 SUDLEY ROAD, CATHARPIN, VA
BAN19981084 F&M BANK-NORTHERN VIRGINIA
TO OPEN A BRANCH AT 13927 JEFFERSON DAVIS HIGHWAY, WOODBRIDGE, VA
BAN19981085 WILLOW FINANCIAL SERVICES, INC.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 5105 BACKLICK ROAD, SUITE P, ANNANDALE, VA TO 205 SOUTH WHITING STREET, SUITE 406, ALEXANDRIA, VA

BAN19981086 NAP FINANCIAL SERVICES, LLC
FOR A MORTGAGE LENDER'S LICENSE
BAN19981087 CTX MORTGAGE COMPANY
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 3740 FERNANDINA ROAD, SUITE A, COLUMBIA, SC
BAN19981088 CTX MORTGAGE COMPANY
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 710 PULASKI STREET, COLUMBIA, SC
BAN19981089 COMMUNITY MORTGAGE, LLC
FOR A MORTGAGE BROKER'S LICENSE
BAN19981090 RBO FUNDING, INC. T/A LOAN AID
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 4101 ROENKER LANE, VIRGINIA BEACH, VA
BAN19981091 PARAGON MORTGAGE & FINANCIAL SERVICES CORP.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 6000 EXECUTIVE BOULEVARD, SUITE 203, ROCKVILLE, MD TO 19650 CLUB HOUSE ROAD, SUITE 204, GAITHERSBURG, MD
BAN19981092 FIRSTPORT MORTGAGE CORPORATION
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 1809 AIRLINE BOULEVARD, PORTSMOUTH, VA TO 3940 AIRLINE BOULEVARD, CHESAPEAKE, VA
BAN19981093 1ST PROFESSIONAL MORTGAGE, INC.
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 2083 WEST STREET, SUITE 4F, ANNAPOLIS, MD
BAN19981094 GMAC MORTGAGE CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 5301 BUCKEYSTOWN PIKE, FREDERICK, MD
BAN19981095 CATHOLIC CHARITIES OF HAMPTON ROADS, INC.
TO OPEN AN ADDITIONAL DEBT COUNSELING OFFICE AT 3804 POPLAR HILL ROAD, SUITE A, CHESAPEAKE, VA
BAN19981096 INNOVATIVE MORTGAGE CORPORATION
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 104 KESWICK DRIVE, LYNCHBURG, VA TO 3 KNOLLWOOD DRIVE, RUSTBURG, VA
BAN19981097 FOUR LEAF FINANCIAL CORPORATION
FOR A MORTGAGE LENDER AND BROKER LICENSE
BAN19981098 FIRST INVESTORS MORTGAGE CORP. OF FLORIDA (USED IN VA BY: FIRST INVESTORS MORTGAGE CORPORATION)
FOR A MORTGAGE LENDER'S LICENSE
BAN19981099 LIBERTY MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 2310 WEST MAIN STREET, RICHMOND, VA
BAN19981100 GMAC MORTGAGE CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 1300 HOUNDSCHASE LANE, N.W., APT. H, BLACKSBURG, VA
BAN19981101 GMAC MORTGAGE CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT ROUTE 1, BOX 315, FINCASTLE, VA
BAN19981102 BRECKINRIDGE CORPORATION, THE D/B/A BRECKINRIDGE MORTGAGE
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 20 SOUTH CAMERON STREET, 2ND FLOOR, WINCHESTER, VA TO THE CREAMERY BUILDING, 21 SOUTH KENT STREET, WINCHESTER, VA
BAN19981103 AMERICAN GENERAL FINANCE OF AMERICA, INC.
TO RELOCATE CONSUMER FINANCE OFFICE FROM 480 NORTH MAIN STREET, WOODSTOCK, VA TO 477 WEST RESERVOIR ROAD, WOODSTOCK, VA
BAN19981104 AMERICAN GENERAL FINANCE, INC.
TO RELOCATE MORTGAGE LENDERS'S OFFICE FROM 480 N MAIN STREET, WOODSTOCK, VA TO 477 WEST RESERVOIR ROAD, WOODSTOCK, VA
BAN19981105 RESIDENTIAL LENDING CORPORATION
FOR A MORTGAGE LENDER AND BROKER LICENSE
BAN19981106 MORTGAGE SOLUTIONS, INC.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 4300 MONTGOMERY AVENUE, SUITE 305, BETHESDA, MD TO 2703 COLSTON DRIVE, CHEVY CHASE, MD
BAN19981107 ACCESS MORTGAGE INC.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 9618 LARKVIEW COURT, FAIRFAX STATION, VA TO 9318-E OLD KEENE MILL ROAD, BURKE, VA
BAN19981108 D & D MORTGAGE CORPORATION
FOR A MORTGAGE BROKER'S LICENSE
BAN19981109 MORTGAGE FINDERS OF VIRGINIA, INC.
FOR A MORTGAGE BROKER'S LICENSE
BAN19981110 FRANKLIN, MARCO RICHARD
TO ACQUIRE 100 PERCENT OF MIDAS MORTGAGE, LLC
BAN19981111 MORTGAGE EDGE CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 3225 GRACE STREET, N.W., SUITE 214, WASHINGTON, DC
BAN19981112 CHOCKLETT, DONNA L. D/B/A CHOCKLETT MORTGAGE
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 4502 STARKEY ROAD, ROANOKE, VA TO 922 12TH STREET, S.E., SUITE A, ROANOKE, VA
BAN19981113 HERITAGE MORTGAGE BROKERS, LLC
FOR A MORTGAGE BROKER'S LICENSE
BAN19981114 GE CAPITAL MORTGAGE SERVICES, INC.
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 2000 W. LOOP SOUTH, SUITE 1300, HOUSTON, TX TO 6601 SIX FORKS ROAD, RALEIGH, NC
BAN19981115 COUNTRYWIDE HOME LOANS, INC. D/B/A AMERICA'S WHOLESALE LENDER
TO RELOCATE MORTGAGE LENDERS'S OFFICE FROM 5690 DTC BOULEVARD, SUITE 325, ENGLEWOOD, CO TO 5690 DTC BOULEVARD, SUITE 410, ENGLEWOOD, CO

BAN19981116 ALLIED MORTGAGE CAPITAL CORPORATION
FOR A MORTGAGE LENDER AND BROKER LICENSE
BAN19981117 SOUTHERN TRUST MORTGAGE, LLC
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 3300 N. RIDGE ROAD, SUITE 300, ELLICOT CITY, MD
BAN19981118 SOUTHERN TRUST MORTGAGE, LLC
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 1305 WEST CAUSEWAY, SUITE 112, MANTEVILLE, LA
BAN19981119 COAKLEY, MICHAEL A.
TO ACQUIRE 100 PERCENT OF AGGRESSIVE MORTGAGE CORP.
BAN19981120 LONG BEACH MORTGAGE COMPANY D/B/A FINANCING USA
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 1680 GUDE DRIVE, ROCKVILLE, MD
BAN19981121 CARTERET MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 10947 LAWYERS ROAD, RESTON, VA
BAN19981122 BRANCH BANKING AND TRUST COMPANY OF VIRGINIA
TO ESTABLISH AN EFT AT 681-A NORTH BATTLEFIELD BOULEVARD, CHESAPEAKE, VA
BAN19981123 COMMUNITY MORTGAGE & INVESTMENT CORP.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 16031 COMPRINT CIRCLE, GAITHERSBURG, MD TO 7 DALAMAR STREET, SUITE 200, GAITHERSBURG, MD
BAN19981124 MADISON MORTGAGE & FINANCE, LLC
FOR A MORTGAGE LENDER AND BROKER LICENSE
BAN19981125 BB&T CORPORATION
TO ACQUIRE MAINSTREET FINANCIAL CORPORATION, MARTINSVILLE, VA
BAN19981126 PROCAPITAL FUNDING CORP.
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT INTEROFFICE/TYSONS CORNER, SUITE 800, VIENNA, VA
BAN19981127 FAIRFAX MORTGAGE INVESTMENTS INC.
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 13807 VILLAGE MILL DRIVE, MIDLOTHIAN, VA
BAN19981128 BANK OF THE COMMONWEALTH
TO OPEN A BRANCH AT LAS GAVIOTAS SHOPPING CENTER, 1245 CEDAR ROAD, CHESAPEAKE, VA
BAN19981129 GMAC MORTGAGE CORPORATION
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 6600 N. ANDREWS AVENUE, FT. LAUDERDALE, FL TO 2101 CORPORATE BOULEVARD, BOCA RATON, FL
BAN19981130 FIRST CONSOLIDATED MORTGAGE COMPANY
FOR A MORTGAGE LENDER'S LICENSE
BAN19981131 NATIONAL HOME MORTGAGE SERVICE CORPORATION
FOR A MORTGAGE BROKER'S LICENSE
BAN19981132 UNITED TRUST MORTGAGE SERVICES, INC.
FOR A MORTGAGE BROKER'S LICENSE
BAN19981133 REED, JAMES W.
FOR A MORTGAGE BROKER'S LICENSE
BAN19981134 MORTGAGE EDGE CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 5211 AUTH ROAD, SUITE 203, SUITLAND, MD
BAN19981135 TRIANGLE FUNDING CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 909 GLENROCK ROAD, SUITE E, NORFOLK, VA
BAN19981136 PHOENIX FINANCIAL CORPORATION OF VIRGINIA, INC., THE
TO OPEN A MORTGAGE BROKER'S OFFICE AT 5602 VIRGINIA BEACH BOULEVARD, SUITES 201-203, VIRGINIA BEACH, VA
BAN19981137 PARADIGM MORTGAGE SERVICES, INC.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 1010 WAYNE AVENUE, SUITE 640, SILVER SPRING, MD TO 4720 MONTGOMERY AVENUE, SUITE 420, BETHESDA, MD
BAN19981138 CENTEX CREDIT CORPORATION D/B/A CENTEX HOME EQUITY CORPORATION
TO OPEN A MORTGAGE LENDER'S OFFICE AT 201 COMMONWEALTH COURT, SUITE 250, CARY, NC
BAN19981139 GREEN TREE FINANCIAL SERVICING CORPORATION
TO OPEN A MORTGAGE LENDER'S OFFICE AT 22 ENTERPRISE PARKWAY, SUITE 390, HAMPTON, VA
BAN19981140 AMERICA'S MONEYLINE, INC.
TO RELOCATE MORTGAGE LENDERS'S OFFICE FROM 125 ST. PAUL'S BOULEVARD, SUITE 600, NORFOLK, VA TO 4878 PRINCESS ANNE ROAD, SUITE 102, VIRGINIA BEACH, VA
BAN19981141 EXPRESS FUNDING, INC.
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 3060 MITCHELLVILLE ROAD, SUITE 217, BOWIE, MD TO 8100 PROFESSIONAL PLACE, SUITE 207, LANHAM, MD
BAN19981142 UNITED CAPITAL MORTGAGE CORP.
FOR A MORTGAGE BROKER'S LICENSE
BAN19981143 COLORADO CAPITAL FUNDING, INC.
FOR A MORTGAGE LENDER'S LICENSE
BAN19981144 TOWNE BANK
TO OPEN A BANK AT 5716 HIGH STREET, PORTSMOUTH, VA
BAN19981145 TOWNE BANK
TO OPEN A BRANCH AT 1510 SOUTH MILITARY HIGHWAY, CHESAPEAKE, VA
BAN19981146 TOWNE BANK
TO OPEN A BRANCH AT 984 FIRST COLONIAL ROAD, VIRGINIA BEACH, VA
BAN19981147 COMMONWEALTH BANK, THE
TO OPEN A BRANCH AT 12410 GAYTON ROAD, HENRICO COUNTY, VA

BAN19981148 AMBASSADOR MORTGAGE, INC. D/B/A ACTION MORTGAGE
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 205 EAST WASHINGTON STREET, MIDDLEBURG, VA TO UNITS D & E FEDERAL SQUARE, 3 WEST FEDERAL STREET, MIDDLEBURG, VA
BAN19981149 WHITE OAK MORTGAGE GROUP, LLC, THE
FOR A MORTGAGE LENDER'S LICENSE
BAN19981150 CAVALIER MORTGAGE COMPANY
FOR A MORTGAGE LENDER AND BROKER LICENSE
BAN19981151 CARTERET MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 150 CENTURY DRIVE, SUITE 4418, ALEXANDRIA, VA
BAN19981152 CARTERET MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 1411 BRAGG ROAD, FREDERICKSBURG, VA
BAN19981153 CARTERET MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 300 N. MAIN STREET, BERLIN, MD
BAN19981154 CARTERET MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE ET 904 SUNSET CIRCLE, BRODSBECK, PA
BAN19981155 CARTERET MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 9017 LAKE BRADDOCK DRIVE, BURKE, VA
BAN19981156 CARTERET MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 1000 PARK FORTY PLAZA, DURHAM, NC
BAN19981157 CARTERET MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 14-B WINDSOR CIRCLE, NEWARK, DE
BAN19981158 CARTERET MORTGAGE CORPORATION
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 14106 SAILING ROAD, OCEAN CITY, MD TO 8828 S. SCHUMAKER DRIVE, SUITE 202, SALISBURY, MD
BAN19981159 NATIONWIDE FINANCIAL GROUP, INC.
FOR A MORTGAGE BROKER'S LICENSE
BAN19981160 SAUNDERS, CHERYL L. D/B/A PLAN B MORTGAGE
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 10 ASHINGHURST DRIVE, RICHMOND, VA TO 8706 GLADEWATER COURT, RICHMOND, VA
BAN19981161 ROANOKE VALLEY MORTGAGE, INC.
FOR A MORTGAGE BROKER'S LICENSE
BAN19981162 ROCKINGHAM HERITAGE BANK
TO OPEN A BRANCH AT WELLINGTON PLAZA, JEFFERSON HIGHWAY, AUGUSTA COUNTY, VA
BAN19981163 AURORA LOAN SERVICES INC.
TO OPEN A MORTGAGE LENDER'S OFFICE AT 10375 EAST HARVARD AVENUE, SUITE 450, DENVER, CO
BAN19981164 PLATINUM MORTGAGE, INC.
FOR A MORTGAGE BROKER'S LICENSE
BAN19981165 DEUTSCH, THOMAS
FOR A MORTGAGE BROKER'S LICENSE
BAN19981166 CONSUMER CREDIT COUNSELING SERVICE OF VIRGINIA, INC.
TO OPEN AN ADDITIONAL DEBT COUNSELING OFFICE AT 605 WILLIAM STREET, FREDERICKSBURG, VA
BAN19981167 PREFERRED CREDIT INC.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 3493 LANDSDOWNE DRIVE, SUITE 3, LEXINGTON, KY TO 4504 KENIL COURT, LEXINGTON, KY
BAN19981168 DIVERSIFIED MORTGAGE SERVICES, LLC
FOR A MORTGAGE BROKER'S LICENSE
BAN19981169 AMRESCO RESIDENTIAL MORTGAGE CORPORATION
TO OPEN A MORTGAGE LENDER'S OFFICE AT 9700 PATUXENT WOODS DRIVE, SUITE 110, COLUMBIA, MD
BAN19981170 MORTGAGE FIRST, INC. D/B/A MORTGAGE FIRST
TO OPEN A MORTGAGE BROKER'S OFFICE AT 258 NORTH WITCHDUCK ROAD, SUITE G, VIRGINIA BEACH, VA
BAN19981171 SOUTHERN COMMUNITY BANK & TRUST
TO OPEN A BANK AT 13531 MIDLOTHIAN TURNPIKE, MIDLOTHIAN, VA
BAN19981172 RESIDENTIAL MORTGAGE CORPORATION (IMC), INC.
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT METRO SELF STORAGE, JAMES P. MURPHY DRIVE, WEST WARWICK, RI
BAN19981173 RESIDENTIAL MORTGAGE CORPORATION (IMC), INC.
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT THE QUINLAN COMPANY, 125 ERNEST STREET, PROVIDENCE, RI
BAN19981174 EMPIRE MORTGAGE IX, INC.
TO RELOCATE MORTGAGE LENDERS'S OFFICE FROM 4 NORTH PARK DRIVE, SUITE 100, HUNT VALLEY, MD TO 11350 MCCORMICK ROAD, EP III, SUITE 502, HUNT VALLEY, MD
BAN19981175 BARKSDALE BUSINESS GROUP, INC. D/B/A BARKSDALE LOAN CONSULTANTS
TO OPEN A MORTGAGE BROKER'S OFFICE AT 97 GLENVIEW LANE, WILLINGBORO, NJ
BAN19981176 AMERITECH CONSTRUCTION CORPORATION
FOR A MORTGAGE BROKER'S LICENSE
BAN19981177 MILLENNIA MORTGAGE CORPORATION
FOR A MORTGAGE LENDER'S LICENSE
BAN19981178 BRANCH BANKING AND TRUST COMPANY OF VIRGINIA
TO OPEN A BRANCH AT 1421 PRINCE STREET, ALEXANDRIA, VA
BAN19981179 FIRST VIRGINIA BANK - SOUTHWEST
TO OPEN A BRANCH AT 1140 EAST STUART DRIVE, GALAX, VA

BAN19981180 1ST PRIORITY MORTGAGE CORP. D/B/A AFFORDABLE MORTGAGE SOLUTIONS
FOR A MORTGAGE BROKER'S LICENSE
BAN19981181 FAIRFAX MORTGAGE, INC.
FOR A MORTGAGE BROKER'S LICENSE
BAN19981182 INVESTORS MORTGAGE CORPORATION
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 5094 DORSEY HALL DRIVE, SUITE 205, ELLICOTT CITY, MD TO 10025 GOVERNOR WARFIELD PARKWAY, SUITE 410, COLUMBIA, MD
BAN19981183 DYNEX FINANCIAL, INC.
TO OPEN A MORTGAGE LENDER'S OFFICE AT 8713 AIRPORT FREEWAY, SUITE 200, FORT WORTH, TX
BAN19981184 MERITAGE MORTGAGE CORPORATION
TO RELOCATE MORTGAGE LENDERS'S OFFICE FROM 5 CHOKE CHERRY ROAD, SUITE 330, ROCKVILLE, MD TO 18310 MONTGOMERY VILLAGE AVENUE, SUITE 250, GAITHERSBURG, MD
BAN19981185 OPTION ONE MORTGAGE CORPORATION D/B/A H&R BLOCK MORTGAGE
TO OPEN A MORTGAGE LENDER'S OFFICE AT 2400 MAITLAND CENTER PARKWAY, SUITE 223, MAITLAND, FL
BAN19981186 SOUTH BRANCH VALLEY BANCORP, INC.
TO ACQUIRE SHENANDOAH VALLEY NATIONAL BANK
BAN19981187 MORTGAGE LOAN SERVICES, INC.
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 6342 PETERS CREEK ROAD, ROANOKE, VA
BAN19981188 TRUST ONE MORTGAGE CORPORATION
TO RELOCATE MORTGAGE LENDERS'S OFFICE FROM 5 PARK PLAZA, 18TH FLOOR, IRVINE, CA TO 2 ADA, IRVINE, CA
BAN19981189 BRANCH BANKING AND TRUST COMPANY OF VIRGINIA
TO RELOCATE OFFICE FROM 2531 W. HUNDRED ROAD, CHESTER, VA TO 12840 JEFFERSON DAVIS HIGHWAY, CHESTER, VA
BAN19981190 BRANCH BANKING AND TRUST COMPANY OF VIRGINIA
TO RELOCATE OFFICE FROM SYCAMORE AND WALNUT STREETS, PETERSBURG, VA TO 3333-A SOUTH CRATER ROAD, PETERSBURG, VA
BAN19981191 FIRST RESIDENTIAL MORTGAGE CORPORATION
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 651 N. MAIN STREET, SUITE 3, MARION, VA TO 945 N. MAIN STREET, MARION, VA
BAN19981192 MORTGAGE BANK OF AMERICA, INC.
FOR A MORTGAGE BROKER'S LICENSE
BAN19981193 THORNTON, SHIRLEY, P.
TO OPEN A CHECK CASHER AT 1007 PROVIDENCE SQUARE SHOPPING, CENTER, VIRGINIA BEACH, VA
BAN19981194 PRINCIPAL RESIDENTIAL MORTGAGE, INC.
TO RELOCATE MORTGAGE LENDERS'S OFFICE FROM 3015 HARTLEY ROAD, SUITE 15, JACKSONVILLE, FL TO 11363 SAN JOSE BOULEVARD, BUILDING 200, JACKSONVILLE, FL
BAN19981195 J. B. BRYAN FINANCIAL GROUP, INC.
FOR A MORTGAGE BROKER'S LICENSE
BAN19981196 MOBILE CONSULTANTS, INC.
FOR A MORTGAGE BROKER'S LICENSE
BAN19981197 WESTMINSTER MORTGAGE CORPORATION
FOR A MORTGAGE LENDER AND BROKER LICENSE
BAN19981198 FRANKLIN AMERICAN MORTGAGE COMPANY
TO RELOCATE MORTGAGE LENDERS'S OFFICE FROM 214 OVERLOOK COURT, SUITE 150, BRENTWOOD, TN TO 501 CORPORATE CENTRE DRIVE, SUITE 400, FRANKLIN, TN
BAN19981199 INVESTAID CORPORATION D/B/A EQUITREE FINANCIAL SERVICES
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 11785 BELTSVILLE DRIVE, SUITE 250, BELTSVILLE, MD
BAN19981200 INVESTAID CORPORATION D/B/A EQUITREE FINANCIAL SERVICES
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 8253 BACKLICK ROAD, SUITE D, LORTON, VA
BAN19981201 REGIONAL ACCEPTANCE CORPORATION
TO RELOCATE CONSUMER FINANCE OFFICE FROM 10401 MIDLOTHIAN TURNPIKE, CHESTERFIELD COUNTY, VA TO 10051 MIDLOTHIAN TURNPIKE, CHESTERFIELD COUNTY, VA
BAN19981202 FIRST PRIORITY MORTGAGE, L.L.C.
FOR A MORTGAGE LENDER'S LICENSE
BAN19981203 BRANCH BANKING AND TRUST COMPANY OF VIRGINIA
TO OPEN A BRANCH AT 6949 COMMERCE STREET, SPRINGFIELD, VA
BAN19981204 BRANCH BANKING AND TRUST COMPANY OF VIRGINIA
TO OPEN A BRANCH AT 1650 TYSONS BOULEVARD, MCLEAN, VA
BAN19981205 RESOURCE MORTGAGE BANKING, LTD
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 560 WHITE PLAINS ROAD, SUITE 500, TARRYTOWN, NY TO 565 TAXTER ROAD, SUITE 620, ELMSFORD, NY
BAN19981206 CTX MORTGAGE COMPANY
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 6411 IVY LANE, SUITE 700, GREENBELT, MD
BAN19981207 CTX MORTGAGE COMPANY
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 770 RITCHIE HIGHWAY, SUITE W-18, SEVERNA PARK, MD
BAN19981208 FIRST HOME MORTGAGE CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 359 MANCHESTER ROAD, WESTMINSTER, MD
BAN19981209 SUPERIOR HOME MORTGAGE CORPORATION (USED IN VA BY: SUPERIOR MORTGAGE CORPORATION)
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 1420 BEVERLY ROAD, SUITE 310, MCLEAN, VA
BAN19981210 TOWN AND COUNTRY FINANCIAL SERVICES, INC.
FOR A MORTGAGE BROKER'S LICENSE

BAN19981211 DYLAN MORTGAGE INCORPORATED
FOR A MORTGAGE LENDER AND BROKER LICENSE
BAN19981212 CAPITOL MORTGAGE BANKERS, INC.
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 1600 HUGUENOT ROAD, SUITE 120, MIDLOTHIAN, VA
BAN19981213 GULFSTREAM FINANCIAL SERVICES OF MARYLAND, INCORPORATED
TO OPEN A MORTGAGE BROKER'S OFFICE AT 5029 CORPORATE WOODS DRIVE, SUITE 150, VIRGINIA BEACH, VA
BAN19981214 OPTION ONE MORTGAGE CORPORATION D/B/A H&R BLOCK MORTGAGE
TO OPEN A MORTGAGE LENDER'S OFFICE AT 13890 BRADDOCK ROAD, SUITE 100, CENTREVILLE, VA
BAN19981215 GUARANTY BANK
TO OPEN A BRANCH AT THE SHOPS AT WELLESLEY PARK, TERRACE AND LAUDERDALE DRIVES, HENRICO COUNTY, VA
BAN19981216 RODGERS, NELSON D. T/A ALL VIRGINIA MORTGAGE CO.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 13830 GALLANT FOX DRIVE, MIDLOTHIAN, VA TO 10136 HULL STREET ROAD, SUITE B, MIDLOTHIAN, VA
BAN19981217 EQUITY ONE OF VIRGINIA, INC.
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 4021 HALIFAX ROAD, SUITE B, SOUTH BOSTON, VA TO 1020 BILL TUCK HIGHWAY, SUITE 850, SOUTH BOSTON, VA
BAN19981218 MAIN STREET MORTGAGE AND INVESTMENT CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 2316 ATHERHOLT ROAD, SUITE 210, LYNCHBURG, VA
BAN19981219 FIRST GUARANTY MORTGAGE CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 12425 DILLINGHAM SQUARE, WOODBRIDGE, VA
BAN19981220 HOME LOAN CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 130 JAMES AVENUE, COLONIAL HEIGHTS, VA
BAN19981221 BANK OF HAMPTON ROADS, THE
TO OPEN A BRANCH AT 1316 NORTH GREAT NECK ROAD, VIRGINIA BEACH, VA
BAN19981222 MOLTON, ALLEN & WILLIAMS MORTGAGE COMPANY, L.L.C.
FOR A MORTGAGE LENDER'S LICENSE
BAN19981223 CARTERET MORTGAGE CORPORATION
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 14106 SAILING ROAD, OCEAN CITY, MD TO 828 S. SCHUMAKER DRIVE, SUITE 202, SALISBURY, MD
BAN19981224 CARTERET MORTGAGE CORPORATION
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 2131 RAVEN TOWER COURT, SUITE 305, HERNDON, VA TO 3256 WHITE BARN COURT, HERNDON, VA
BAN19981225 CARTERET MORTGAGE CORPORATION
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 1104-B PINEHURST ROAD, DUNEDIN, FL TO 1565 MAIN STREET, DUNEDIN, FL
BAN19981226 CARTERET MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 9017 LAKE BRADDOCK DRIVE, BURKE, VA
BAN19981227 CARTERET MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 3012 LINDA VISTA DRIVE, ALAMEDA, CA
BAN19981228 CARTERET MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 904 SUNSET CIRCLE, BRODBECKS, PA
BAN19981229 CARTERET MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 9303 HAMILTON DRIVE, FAIRFAX, VA
BAN19981230 CARTERET MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 167 EAST COLUMBUS STREET, SUITE 1, PICKERINGTON, OH
BAN19981231 CARTERET MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 1000 PARK FORTY PLAZA, SUITE 172, DURHAM, NC
BAN19981232 CARTERET MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 300 N. MAIN STREET, BERLIN, MD
BAN19981233 CARTERET MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 14-B WINDSOR CIRCLE, NEWARK, DE
BAN19981234 NEW YORK MORTGAGE COMPANY, LLC, THE
FOR A MORTGAGE LENDER'S LICENSE
BAN19981235 MONEY SOURCE, INC.
FOR A MORTGAGE BROKER'S LICENSE
BAN19981236 CTX MORTGAGE COMPANY
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 1320 FENWICK LANE, SUITE 500, SILVER SPRING, MD
BAN19981237 OLYMPIC MORTGAGE GROUP, INC.
FOR A MORTGAGE BROKER'S LICENSE
BAN19981238 BRANCH BANKING AND TRUST COMPANY OF VIRGINIA
TO OPEN A BRANCH AT 3333-A SOUTH CRATER ROAD, PETERSBURG, VA
BAN19981239 NEW CENTURY CORPORATION (USED IN VA BY: NEW CENTURY MORTGAGE CORPORATION)
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 3959 ELECTRIC ROAD SW, SUITE 101, ROANOKE, VA
BAN19981240 MILLENNIUM MORTGAGE INVESTORS, INC.
FOR A MORTGAGE LENDER AND BROKER LICENSE
BAN19981241 WHOLESALE EXPRESS MORTGAGE CORPORATION, INC.
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 5801 ALLENTOWN ROAD, SUITE 106, CAMP SPRINGS, MD TO 1107 BAY FRONT AVENUE, NORTH BEACH, MD
BAN19981242 FIDELITY HOME MORTGAGE CORPORATION
FOR A MORTGAGE LENDER'S LICENSE

BAN19981243 GMAC MORTGAGE CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT KEITH VALLEY BUSINESS CENTER, 500 ENTERPRISE ROAD, HORSHAM, PA
BAN19981244 UNION BANK AND TRUST COMPANY
TO MERGE INTO IT KING GEORGE STATE BANK, INC.
BAN19981245 UNION FINANCIAL CORPORATION
TO RELOCATE MORTGAGE LENDERS'S OFFICE FROM 18002 SKY PARK CIRCLE, IRVINE, CA TO 1950 EAST SEVENTEENTH STREET, SUITE 100, SANTA ANA, CA
BAN19981246 CHARLES F. CURRY COMPANY
FOR ADDITIONAL MORTGAGE AUTHORITY
BAN19981247 SHUMWAY, SCOT D. D/B/A PROVIDENT FUNDING GROUP
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 5105-P BACKLICK ROAD, ANNANDALE, VA TO 7700 LITTLE RIVER TURNPIKE, SUITE 405, ANNANDALE, VA
BAN19981248 HOMECOMINGS FINANCIAL NETWORK, INC.
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 14850 QUORUM DRIVE, SUITE 450, DALLAS, TX TO 2711 NORTH HASKELL AVE., SUITE 1000, DALLAS, TX
BAN19981249 FIDELITY FUNDING MORTGAGE CORP.
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 17 NORTH WASHINGTON STREET, 1ST FLOOR, GREENCASTLE, PA
BAN19981250 CENTEX CREDIT CORPORATION D/B/A CENTEX HOME EQUITY CORPORATION
TO RELOCATE MORTGAGE LENDERS'S OFFICE FROM 201 COMMONWEALTH COURT, SUITE 250, CARY, NC TO 5520 DILLARD ROAD, SUITE 260, CARY, NC
BAN19981251 CRESTAR BANK
TO OPEN A BRANCH AT GAYTON CROSSING HANNAFORD, 1356 GASKINS ROAD, HENRICO COUNTY, VA
BAN19981252 CENTURY MORTGAGE CORP.
FOR A MORTGAGE LENDER'S LICENSE
BAN19981253 IMC MORTGAGE COMPANY
TO OPEN A MORTGAGE LENDER'S OFFICE AT C/O FACS, 1425 MASSARO BOULEVARD, TAMPA, FL
BAN19981254 IMC MORTGAGE COMPANY
TO OPEN A MORTGAGE LENDER'S OFFICE AT C/O PIERCE LEAHY ARCHIVE, 4912 WEST KNOX STREET, TAMPA, FL
BAN19981255 IMC MORTGAGE COMPANY
TO OPEN A MORTGAGE LENDER'S OFFICE AT 550 NORTH REO STREET, SUITE 300, TAMPA, FL
BAN19981256 LONE TREE FINANCIAL, INC.
FOR A MORTGAGE BROKER'S LICENSE
BAN19981257 OPTION ONE MORTGAGE CORPORATION
FOR ADDITIONAL MORTGAGE AUTHORITY
BAN19981258 PRIMESOURCE FINANCIAL, LLC
FOR A MORTGAGE LENDER'S LICENSE
BAN19981259 LUCAS, JR., SOLOMON RUSSELL
FOR A MORTGAGE BROKER'S LICENSE
BAN19981260 MILLENNIUM LENDING CORP.
FOR A MORTGAGE BROKER'S LICENSE
BAN19981261 NATIONWIDE HOME MORTGAGE, INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 15879 CRABBS BRANCH WAY, ROCKVILLE, MD
BAN19981262 AMERICAN MORTGAGE CAPITAL, INC.
TO RELOCATE MORTGAGE LENDERS'S OFFICE FROM 6190 NW 11TH STREET, FORT LAUDERDALE, FL TO 1700 NW 66TH AVENUE, SUITE 102, PLANTATION, FL
BAN19981263 AMERICAN GENERAL FINANCE, INC.
TO RELOCATE MORTGAGE LENDERS'S OFFICE FROM U.S. HIGHWAY 23 AND S. ROUTE 58, BIG STONE GAP, VA TO INTERSECTION U.S. HIGHWAY 23 AND ALTERNATE ROUTE 58, SUITE 108, BIG STONE GAP, VA
BAN19981264 AMERICAN GENERAL FINANCE OF AMERICA, INC.
TO RELOCATE CONSUMER FINANCE OFFICE FROM US HIGHWAY 23 AND ALTERNATE ROUTE 58, BIG STONE GAP, VA TO US HIGHWAY 23, SUITE 108, BIG STONE GAP, VA
BAN19981265 MEGO MORTGAGE CORPORATION
TO RELOCATE MORTGAGE LENDERS'S OFFICE FROM 1000 PARKWOOD CIRCLE, 5TH FLOOR, ATLANTA, GA TO 210 INTERSTATE NORTH PARKWAY, SUITE 250, ATLANTA, GA
BAN19981266 MEGO MORTGAGE CORPORATION
TO OPEN A MORTGAGE LENDER'S OFFICE AT 10640 MAIN STREET, SUITE 300, FAIRFAX, VA
BAN19981267 HOME SHARK, INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 185 MASON CIRCLE, SUITE D, CONCORD, CA
BAN19981268 SECURITY NATIONAL MORTGAGE CORP.
FOR A MORTGAGE LENDER AND BROKER LICENSE
BAN19981269 SOVEREIGN MORTGAGE INVESTMENTS, INC.
FOR A MORTGAGE BROKER'S LICENSE
BAN19981270 NVX, INCORPORATED
TO OPEN A MORTGAGE BROKER'S OFFICE AT 1880 HOWARD AVENUE, SUITE 201, VIENNA, VA
BAN19981271 SZI INC. T/A ROYAL BANC MORTGAGE CENTER
TO OPEN A MORTGAGE BROKER'S OFFICE AT 1212 6-A HERITAGE PARK, WHEATON, MD
BAN19981272 MORTGAGE SERVICE CENTER, INC.
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 5801 ALLENTOWN ROAD, SUITE 300, CAMP SPRINGS, MD TO 21125 KEENEY MILL ROAD, FREELAND, MD

BAN19981273 CAPITAL ACCESS, LTD.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 4231 MARKHAM STREET, SUITE 211, ANNANDALE, VA
BAN19981274 CAPITAL ACCESS, LTD.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 12810 WESTBROOK DRIVE, FAIRFAX, VA TO 7202-A POPLAR STREET, ANNANDALE, VA
BAN19981275 LIGHTHOUSE MORTGAGE SERVICE CO., INC.
FOR A MORTGAGE BROKER'S LICENSE
BAN19981276 GREEN TREE FINANCIAL SERVICING CORPORATION
TO RELOCATE MORTGAGE LENDERS'S OFFICE FROM 10319 TECHNOLOGY DRIVE, SUITE 4, KNOXVILLE, TN TO 1409 CENTER POINT BOULEVARD, SUITE 210, KNOXVILLE, TN
BAN19981277 GREEN TREE FINANCIAL SERVICING CORPORATION
TO RELOCATE MORTGAGE LENDERS'S OFFICE FROM 2200 S. CHARLES STREET, SUITE 210, GREENVILLE, NC TO 1420 FIRETOWER ROAD, GREENVILLE, NC
BAN19981278 LEGACY FINANCIAL GROUP, INC.
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 3061 S. MAIN STREET, SUITE C, HARRISONBURG, VA
BAN19981279 LANDMARK FINANCIAL SERVICES, INC.
FOR A MORTGAGE LENDER AND BROKER LICENSE
BAN19981280 AMERICAN FINANCIAL CORP. OF VIRGINIA
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 5427-C PETERS CREEK ROAD, ROANOKE, VA TO 1002 HERSHBERGER ROAD, N.W., ROANOKE, VA
BAN19981281 VERMONT MORTGAGE CORPORATION
FOR A MORTGAGE BROKER'S LICENSE
BAN19981282 BRODERICK, TOJUANNA G.
FOR A MORTGAGE BROKER'S LICENSE
BAN19981283 SUPERIOR MORTGAGE SERVICES, INC.
FOR A MORTGAGE BROKER'S LICENSE
BAN19981284 MONARCH, INC.
FOR A MORTGAGE BROKER'S LICENSE
BAN19981285 VIRGINIA COMMERCE BANK
TO OPEN A BRANCH AT 374 MAPLE AVENUE, VIENNA, VA
BAN19981286 COUNTRYWIDE HOME LOANS, INC. D/B/A AMERICA'S WHOLESALE LENDER
TO RELOCATE MORTGAGE LENDERS'S OFFICE FROM 35 NORTH LAKE AVENUE, PASADENA, CA TO 225 S. LAKE AVENUE, SUITE 705, PASADENA, CA
BAN19981287 HOME SECURITY MORTGAGE CORP.
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 1101 INTERNATIONAL PARKWAY, FREDERICKSBURG, VA
BAN19981288 HOME MORTGAGE CENTER, INC.
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 3339 DUKE STREET, ALEXANDRIA, VA TO 3327 DUKE STREET, ALEXANDRIA, VA
BAN19981289 HOME MORTGAGE CENTER, INC.
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 3335 DUKE STREET, ALEXANDRIA, VA
BAN19981290 SHORE BANK
TO OPEN A BRANCH AT 118 DUNNE AVENUE, PARKSLEY, VA
BAN19981291 DOMINION MORTGAGE CORPORATION
FOR ADDITIONAL MORTGAGE AUTHORITY
BAN19981292 PAUL SILVERSTEIN ASSOCIATES CO. T/A MONUMENTAL MORTGAGE COMPANY
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 508 NORTH MEADOW STREET, RICHMOND, VA TO 114A S. BOULEVARD, RICHMOND, VA
BAN19981293 LL FUNDING CORP. D/B/A LIBERTY LENDING CORPORATION
TO OPEN A MORTGAGE LENDER'S OFFICE AT 10010 JUNCTION DRIVE, SUITE 220, ANNAPOLIS JUNCTION, MD
BAN19981294 FIRST MOUNT VERNON INDUSTRIAL LOAN ASSOCIATION D/B/A A FIRST MOUNT VERNON INDUSTRIAL LOAN ASSOCIATION
TO RELOCATE INDUSTRIAL LOAN OFFICE FROM 1700 DIAGONAL ROAD, SUITE 730, ALEXANDRIA, VA TO 6019 TOWER COURT, ALEXANDRIA, VA
BAN19981295 RICHMOND POLICE DEPARTMENT CREDIT UNION, INCORPORATED
TO RELOCATE CREDIT UNION OFFICE FROM 2907 NORTH BOULEVARD, RICHMOND, VA TO 501 N. 9TH STREET, SUITE 205, RICHMOND, VA
BFI980002 CITY FEDERAL FUNDING & MORTGAGE CORP.
ALLEGED VIOLATION OF VA CODE § 6.1-416, ET AL.
BFI980003 FAIRFAX MORTGAGE INVESTMENTS INC.
ALLEGED VIOLATION OF VA CODE § 6.1-416, ET AL.
BFI980004 AMERIFIRST CORP., THE D/B/A AMERIMAP MORTGAGE CO., THE
ALLEGED VIOLATION OF VA CODE § 6.1-418
BFI980005 1ST 2ND MORTGAGE CO OF NJ INC.
ALLEGED VIOLATION OF VA CODE § 6.1-418
BFI980006 LOAN COMPANY, THE
ALLEGED VIOLATION OF VA CODE § 6.1-418
BFI980007 1ST PROFESSIONAL MORTGAGE INC.
ALLEGED VIOLATION OF VA CODE § 6.1-418
BFI980008 TRADITIONAL MORTGAGE CORP.
ALLEGED VIOLATION OF VA CODE § 6.1-418

BFI980009 UNITED NATIONAL MORTGAGE CORP. T/A NETWORK 1 MORTGAGE ACCESS GROUP
ALLEGED VIOLATION OF VA CODE § 6.1-418
BFI980010 AMERICAN BANKERS MORTGAGE CORP.
ALLEGED VIOLATION OF VA CODE § 6.1-418
BFI980011 UNITED SOUTHERN MORTGAGE CORP. OF ROANOKE INC.
ALLEGED VIOLATION OF VA CODE § 6.1-418
BFI980012 WALL STREET MORTGAGE CORP.
ALLEGED VIOLATION OF VA CODE § 6.1-418
BFI980013 AMERICAN MORTGAGE REDUCTION INC.
ALLEGED VIOLATION OF VA CODE § 6.1-418
BFI980014 WASHINGTON FUNDING CORP.
ALLEGED VIOLATION OF VA CODE § 6.1-418
BFI980015 AMERICAN NATIONAL MORTGAGE ASSOCIATION INC.
ALLEGED VIOLATION OF VA CODE § 6.1-418
BFI980016 ASSOCIATES NATIONAL MORTGAGE CORP.
ALLEGED VIOLATION OF VA CODE § 6.1-418
BFI980017 ATLANTIC COAST CAPITAL INC.
ALLEGED VIOLATION OF VA CODE § 6.1-418
BFI980018 BARSONS FINANCIAL SERVICES CORP.
ALLEGED VIOLATION OF VA CODE § 6.1-418
BFI980019 CU MORTGAGE CENTRE INC.
ALLEGED VIOLATION OF VA CODE § 6.1-418
BFI980020 CAPITOL FUNDING INC.
ALLEGED VIOLATION OF VA CODE § 6.1-418
BFI980021 COMMONWEALTH MORTGAGE CORP.
ALLEGED VIOLATION OF VA CODE § 6.1-418
BFI980022 DOMINION SHARES MORTGAGE CORP. T/A DOMINION BANKSHARES MORTGAGE
ALLEGED VIOLATION OF VA CODE § 6.1-418
BFI980023 E M WILLIS MORTGAGE CORP.
ALLEGED VIOLATION OF VA CODE § 6.1-418
BFI980024 EQUITABLE MORTGAGE GROUP INC.
ALLEGED VIOLATION OF VA CODE § 6.1-418
BFI980025 EQUITY MORTGAGE OF MARYLAND INC.
ALLEGED VIOLATION OF VA CODE § 6.1-418
BFI980026 F & M MORTGAGE CORP.
ALLEGED VIOLATION OF VA CODE § 6.1-418
BFI980027 FIRST DOMINION MORTGAGE CORP.
ALLEGED VIOLATION OF VA CODE § 6.1-418
BFI980028 FIRST HOME ACCEPTANCE MORTGAGE CORP.
ALLEGED VIOLATION OF VA CODE § 6.1-418
BFI980029 FIRST STREET MORTGAGE CORP.
ALLEGED VIOLATION OF VA CODE § 6.1-418
BFI980030 FRANK T. YODER MORTGAGE INC.
ALLEGED VIOLATION OF VA CODE § 6.1-418
BFI980031 HOME LENDING LC
ALLEGED VIOLATION OF VA CODE § 6.1-418
BFI980032 HUNTER, WALDEN T. JR. T/A HUNTER MORTGAGE & FINANCIAL SERVICES
ALLEGED VIOLATION OF VA CODE § 6.1-418
BFI980033 INTEGRITY MORTGAGE & FINANCE INC.
ALLEGED VIOLATION OF VA CODE § 6.1-418
BFI980034 JER-TAG ENTERPRISES T/A JER-TAG MORTGAGE
ALLEGED VIOLATION OF VA CODE § 6.1-418
BFI980035 JULIAN, JON T/A MORTGAGE FUNDING OF VIRGINIA
ALLEGED VIOLATION OF VA CODE § 6.1-418
BFI980036 METROPOLITAN MORTGAGE CORP.
ALLEGED VIOLATION OF VA CODE § 6.1-418
BFI980037 MODERN MORTGAGE INC.
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BFI980038 MORTGAGE ASSOCIATES OF VA INC. (USED IN VA BY MORTGAGE ASSOCIATES INC.)
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BFI980039 MORTGAGE CORP. OF AMERICA INC.
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BFI980040 MORTGAGE LENDERS ASSOC. INC.
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BFI980041 POFF, N THOMAS
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BFI980042 NEW CENTURY CORP. (USED IN VA BY NEW CENTURY MORTGAGE CORP.
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BFI980043 NOVASTAR MORTGAGE INC.
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BFI980044 OLYMPIA MORTGAGE CORP.
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BFI980045 ORION FINANCIAL SERVICES INC.
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BFI980049 SAMSON UNIVERSAL MORTGAGE CORP. T/A SUMCO MORTGAGE PROCESSING CENTERS
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BFI980058 1ST PROFESSIONAL MORTGAGE INC.
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BFI980060 EQUITY MORTGAGE OF MARYLAND
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BFI980063 FIDELITY FIRST MORTGAGE LLC
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BFI980064 H&R BLOCK MORTGAGE CO. LLC
ALLEGED VIOLATION OF VA CODE § 6.1-416
BFI980065 NMC MORTGAGE CORPORATION
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BFI980066 MORTGAGE ACCESS CORP.
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BFI980067 BAY MORTGAGE COMPANY
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BFI980068 TREO FUNDING INCORPORATED
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CLK980216 J O STICKLEY & SON INC.
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INS980172 GUARANTEE TRUST LIFE INSURANCE CO.
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INS980185 HARRELL, JENNIFER R.
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INS980186 KOELEMIJ, JOHN J.
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INS980189 LAGESCHULTE, JACK
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ALLEGED VIOLATION OF VA CODE §§ 38.2-1801, 38.2-1833, 38.2-1804, ET AL.

INS980209 MALONE, VIRGINIA T. AND VIRGINIA ABSTRACT & TITLE INC.
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INS980218 FERGUSON, III ROYALL B.
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INS980221 PENNSYLVANIA NATIONAL MUTUAL INSURANCE CO.
ALLEGED VIOLATION OF VA CODE § 38.2-1906
INS980222 ROBINSON, ROBERT C.
ALLEGED VIOLATION OF VA CODE § 38.2-1813
INS980223 CAPITAL BONDING CORPORATION
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INS980227 OAKWOOD MOBILE HOMES INC.
ALLEGED VIOLATION OF VA CODE §§ 38.2-1804 AND 38.2-1822
INS980228 AMERICAN HOME ASSURANCE CO.
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INS980243 DELONG, RICHARD W.
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INS980244 EQUINOX MANAGEMENT GROUP INC.
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PST: DIVISION OF PUBLIC SERVICE TAXATION

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PST980002 GALLOP BUS LINES LTD D/B/A GALLOP BUS LINES
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PUA: DIVISION OF PUBLIC UTILITY ACCOUNTING

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PUA980002 UNITED WATER VIRGINIA
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PUA980003 GTE SOUTH INCORPORATED, ET AL.
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PUA980014 GTE SOUTH INCORPORATED AND GTE INTERNATIONAL
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PUA980017 C&P ISLE OF WIGHT WATER CO.
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PUA980018 DELMARVA POWER AND ENERVAL LLC
FOR APPROVAL OF AFFILIATE TRANSACTIONS
PUA980019 CENTRAL VIRGINIA ELECTRIC COOPERATIVE
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PUA980021 MCI TELECOMMUNICATIONS CORP.
FOR APPROVAL OF AFFILIATE TRANSACTIONS
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PUA980033 BLUE SPRINGS INC.
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PUA980035 ROANOKE GAS COMPANY
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PUA980038 VIRGINIA ELECTRIC & POWER CO.
FOR APPROVAL OF AFFILIATE TRANSACTIONS
PUA980039 VIRGINIA ELECTRIC & POWER CO.
FOR APPROVAL OF AFFILIATE AGREEMENT
PUA980040 ROANOKE & BOTETOURT TELEPHONE COMPANY
FOR APPROVAL OF AFFILIATE TRANSACTIONS
PUA980043 AQUASOURCE UTILITY INC.
FOR APPROVAL FOR A CHANGE OF CONTROL OF A VIRGINIA WATER PUBLIC UTILITY CO.
PUA980045 COMCAST CABLE COMMUNICATIONS
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PUA980047 AQUASOURCE UTILITY INC., CRAIG, III SAMUEL D. AND CRAIG, JR. S. DALEY
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PUA980048 AQUASOURCE UTILITY INC. AND LAKE MONTICELLO SERVICE CO.
FOR APPROVAL OF CHANGE OF CONTROL OF A VIRGINIA WATER PUBLIC UTILITY CO.
PUA980049 COLUMBIA GAS OF VIRGINIA INC.
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FOR APPROVAL OF AFFILIATE AGREEMENT

PUC: DIVISION OF COMMUNICATIONS

PUC970136 OMC COMMUNICATIONS INC.
FOR CERTIFICATE TO PROVIDE LOCAL EXCHANGE TELECOMMUNICATIONS SERVICE
PUC970174 CENTRAL TELEPHONE CO. OF VIRGINIA AND UNITED TELEPHONE-SOUTHEAST, INC.
FOR APPROVAL OF AMENDMENT TO COMPANIES' ALTERNATIVE REGULATORY PLAN
PUC970177 DIECA COMMUNICATIONS INC.
FOR CERTIFICATES TO PROVIDE LOCAL EXCHANGE AND INTEREXCHANGE TELECOMMUNICATIONS SERVICES
PUC970189 NA COMMUNICATIONS, INC.
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PUC970195 CENTRAL TELEPHONE COMPANY OF VIRGINIA AND UNITED TELEPHONE-SOUTHEAST, INC.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996 WITH DAKOTA SERVICES LIMITED
PUC970197 LEVEL 3 COMMUNICATIONS, L.L.C.
FOR CERTIFICATES TO PROVIDE LOCAL EXCHANGE AND INTEREXCHANGE TELECOMMUNICATIONS SERVICES
PUC970198 FOCAL COMMUNICATIONS CORP. OF VIRGINIA
FOR CERTIFICATES TO PROVIDE LOCAL EXCHANGE AND INTEREXCHANGE TELECOMMUNICATIONS SERVICES
PUC980001 NORTHPOINT COMMUNICATIONS OF VIRGINIA, INC.
FOR CERTIFICATES TO PROVIDE LOCAL EXCHANGE AND INTEREXCHANGE TELECOMMUNICATIONS SERVICES
PUC980003 MFS INTELENET OF VIRGINIA, INC.
TO AMEND CERTIFICATE TO REFLECT NEW CORPORATE NAME
PUC980004 STARPOWER COMMUNICATIONS, L.L.C.
FOR CERTIFICATES TO PROVIDE LOCAL EXCHANGE AND INTEREXCHANGE TELECOMMUNICATIONS SERVICES
PUC980005 BELL ATLANTIC-VIRGINIA, INC.
FOR PERMISSION TO WITHDRAW CENTREX EXTENDED SERVICE AS A GENERALLY AVAILABLE SERVICE
PUC980006 GTE SOUTH INCORPORATED AND WINSTAR WIRELESS OF VIRGINIA, INCORPORATED
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PUC980007 BELL ATLANTIC-VIRGINIA, INC.
TO CLASSIFY PREPAID CALLING SERVICE AS COMPETITIVE PURSUANT TO PARAGRAPH 4 OF PLAN FOR ALTERNATIVE REGULATION
PUC980008 GTE SOUTH INCORPORATED AND ATLANTIC TELECOM INCORPORATED
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996
PUC980009 ACC NATIONAL TELECOM CORP.
FOR ARBITRATION OF UNRESOLVED ISSUES FROM INTERCONNECTION NEGOTIATIONS WITH BELL ATLANTIC-VIRGINIA, INC. PURSUANT TO § 252 OF THE TELECOMMUNICATIONS ACT OF 1996
PUC980010 XCOM TELEPHONY OF VIRGINIA, INC.
FOR CERTIFICATES TO PROVIDE LOCAL EXCHANGE TELECOMMUNICATIONS SERVICES AND INTRASTATE INTEREXCHANGE SERVICES
PUC980011 HYPERION TELECOMMUNICATIONS
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PUC980012 BELL ATLANTIC-VIRGINIA, INC.AND ATX TELECOMMUNICATIONS SERVICES, LTD.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996
PUC980013 BELL ATLANTIC-VIRGINIA, INC.
TO IMPLEMENT EXTEND LOCAL SERVICE FROM TOANO EXCHANGE TO PROVIDENCE FORGE EXCHANGE

PUC980014 BELL ATLANTIC-VIRGINIA, INC.
TO IMPLEMENT EXTEND LOCAL SERVICE FROM WILLIAMSBURG EXCHANGE TO PROVIDENCE FORGE EXCHANGE

PUC980015 BELL ATLANTIC-VIRGINIA, INC. AND DYNAMIC TELCO SERVICES OF VIRGINIA, INC.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC980016 CENTRAL TELEPHONE CO. OF VIRGINIA
TO IMPLEMENT EXTEND LOCAL SERVICE FROM CHARLOTTESVILLE EXCHANGE TO GREENWOOD EXCHANGE

PUC980017 CENTRAL TELEPHONE CO. OF VIRGINIA
TO IMPLEMENT EXTENDED LOCAL SERVICE FROM CROZET EXCHANGE TO GREENWOOD EXCHANGE

PUC980018 BELL ATLANTIC-VIRGINIA, INC. AND NUSTAR COMMUNICATIONS CORPORATION
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC980019 BELL ATLANTIC-VIRGINIA, INC. AND BUSINESS TELECOM, INC.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC980022 CENTRAL TELEPHONE CO. OF VIRGINIA AND UNITED TELEPHONE-SOUTHEAST, INC.
FOR APPROVAL OF RESALE AGREEMENT WITH TEL-LINK, INC. UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC980023 CENTRAL TELEPHONE CO. OF VIRGINIA AND UNITED TELEPHONE-SOUTHEAST, INC.
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PUC980024 MCI TELECOMMUNICATIONS CORP. OF VIRGINIA
ALLEGED VIOLATION OF 47 U.S. CODE § 254.D

PUC980026 CENTRAL TELEPHONE CO. OF VIRGINIA
TO IMPLEMENT EXTENDED LOCAL SERVICE FROM MARTINSVILLE EXCHANGE TO BACHELORS HALL EXCHANGE

PUC980027 BURWELL, ALVIN H. T/A ALEXANDRIA PHARMACY
ALLEGED VIOLATION OF VA CODE §§ 56-508.15, ET AL.

PUC980028 PUBLIC SERVICE CORPORATION
ALLEGED VIOLATION OF VA CODE §§ 56-508.15, ET AL.

PUC980029 EL TORO RESTAURANT, INC.
ALLEGED VIOLATION OF VA CODE §§ 56-508.15, ET AL.

PUC980030 HERSPERGER, RICHARD G. T/A VENDORMATIC, INC.
ALLEGED VIOLATION OF VA CODE §§ 56-508.15, ET AL.

PUC980031 LARUE, MARYANN
ALLEGED VIOLATION OF VA CODE §§ 56-508.15, ET AL.

PUC980032 KANGAROO LEASING, INC.
ALLEGED VIOLATION OF VA CODE §§ 56-508.15, ET AL.

PUC980033 WILMORE, JR. EARL M. T/A OVERHILL INN
ALLEGED VIOLATION OF VA CODE §§ 56-508.15, ET AL.

PUC980034 STROUD, ADAM
ALLEGED VIOLATION OF VA CODE §§ 56-508.15, ET AL.

PUC980035 LORUSSO, JOHN T/A LORUSSO INVESTMENTS, INC.
ALLEGED VIOLATION OF VA CODE §§ 56-508.15, ET AL.

PUC980036 GREWAL, PREETENDER S. D/B/A BLESSCOM
ALLEGED VIOLATION OF VA CODE §§ 56-508.15, ET AL.

PUC980037 HOSTETLER, CHAD S. T/A CSH ENTERPRISE
ALLEGED VIOLATION OF VA CODE §§ 56-508.15, ET AL.

PUC980038 JOHNSON CURTIS T/A QUANITA'S HAIR & NAIL SALON
ALLEGED VIOLATION OF VA CODE §§ 56-508.15, ET AL.

PUC980039 AUSTIN, CHARLES L. D/B/A AMERICAN LEGION CHARITABLE ORGANIZATION FOR COMMUNITY AND U.S. VETERANS
ALLEGED VIOLATION OF VA CODE §§ 56-508.15, ET AL.

PUC980040 SUISSA, MICHEL M. T/A MICHEL RENE FOR HAIR
ALLEGED VIOLATION OF VA CODE §§ 56-508.15, ET AL.

PUC980041 HIPPS, JERRY
ALLEGED VIOLATION OF VA CODE §§ 56-508.15, ET AL.

PUC980042 BURKE HEALTH CARE CENTER
ALLEGED VIOLATION OF VA CODE §§ 56-508.15, ET AL.

PUC980043 BAYSIDE HEALTH CARE CENTER
ALLEGED VIOLATION OF VA CODE §§ 56-508.15, ET AL.

PUC980044 HANOVER HEALTH CARE CENTER
ALLEGED VIOLATION OF VA CODE §§ 56-508.15, ET AL.

PUC980045 ACI CORP - VIRGINIA
FOR CERTIFICATES TO PROVIDE LOCAL EXCHANGE AND INTEREXCHANGE TELECOMMUNICATIONS SERVICES

PUC980047 MFN OF VA, L.L.C.
FOR CERTIFICATES TO PROVIDE LOCAL EXCHANGE AND INTEREXCHANGE TELECOMMUNICATIONS SERVICES

PUC980048 BELL ATLANTIC-VIRGINIA, INC. AND CENTRAL TELEPHONE CO. OF VIRGINIA, THE
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC980049 BELL ATLANTIC-VIRGINIA, INC. AND UNITED TELEPHONE-SOUTHEAST, INC.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC980050 GTE SOUTH INCORPORATED AND CONXUS NETWORK, INC.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC980051 GTE SOUTH INCORPORATED AND JONES TELECOMMUNICATIONS INCORPORATED
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC980052 BELL ATLANTIC-VIRGINIA, INC. AND NORTH AMERICAN TELECOMMUNICATIONS CORP.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC980053 BELL ATLANTIC-VIRGINIA, INC. AND US MOBILE SERVICES, INC.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC980054 BELL ATLANTIC-VIRGINIA, INC. AND XCOM TELEPHONY OF VIRGINIA, INC.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC980056 EX PARTE: TELEPHONE RELAY SERVICE
IN THE MATTER OF REVISING TELEPHONE RELAY SERVICE SURCHARGE PURSUANT TO ARTICLE 5, CHAPTER 15, TITLE 56 OF THE CODE OF VIRGINIA

PUC980057 AT&T COMMUNICATIONS OF VIRGINIA INC.
TO REDUCE ACCESS CHARGES OF BELL ATLANTIC-VIRGINIA, INC. BY REMOVING PAYPHONE RELATED SUBSIDIES AS REQUIRED BY TELECOMMUNICATIONS ACT OF 1996

PUC980058 BELL ATLANTIC-VIRGINIA, INC. AND TALK TIME COMMUNICATIONS, LTD.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC980059 NEW CASTLE TELEPHONE CO.
TO POLL TELEPHONE SUBSCRIBERS FROM PAINT BANK EXCHANGE REGARDING EXTENDED LOCAL SERVICE PURSUANT TO VA CODE § 56-484.3

PUC980061 BELL ATLANTIC-VIRGINIA, INC. AND STARPOWER COMMUNICATIONS, L.L.C.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC980062 BELL ATLANTIC-VIRGINIA, INC. AND FRONTIER TELEMANAGEMENT, L.L.C.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC980063 TIDALWAVE TELEPHONE, INC.
FOR CERTIFICATES TO PROVIDE LOCAL EXCHANGE AND INTEREXCHANGE TELECOMMUNICATIONS SERVICES

PUC980064 BELL ATLANTIC-VIRGINIA, INC. AND INTERACTIVE COMMUNICATIONS, INC.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC980065 NEXTLINK VIRGINIA, L.L.C.
FOR CERTIFICATES TO PROVIDE LOCAL EXCHANGE AND INTEREXCHANGE TELECOMMUNICATIONS SERVICES

PUC980067 BELL ATLANTIC-VIRGINIA, INC. AND CAT COMMUNICATIONS INTERNATIONAL, INC. INC. D/B/A C.C.I.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC980068 GTE SOUTH INCORPORATED AND BLUE RIDGE COMMUNICATIONS, INC.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC980070 CENTRAL TELEPHONE CO. OF VIRGINIA AND PRIMECO PERSONAL COMMUNICAITONS, L.P.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC980071 UNITED TELEPHONE-SOUTHEAST, INC. AND PRIMECO PERSONAL COMMUNICATIONS, L.P.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC980072 BELL ATLANTIC-VIRGINIA, INC.
TO IMPLEMENT EXTENDED LOCAL SERVICE FROM BRADDOCK EXCHANGE TO ARCOLA EXCHANGE OF GTE SOUTH, INC.

PUC980073 BELL ATLANTIC-VIRGINIA, INC.
TO IMPLEMENT EXTENDED LOCAL SERVICE FROM FALLS CHURCH/MCLEAN EXCHANGE TO ARCOLA EXCHANGE OF GTE SOUTH, INC.

PUC980074 BELL ATLANTIC-VIRGINIA, INC.
TO IMPLEMENT EXTENDED LOCAL SERVICE FROM RICHMOND EXCHANGE TO PROVIDENCE FORGE EXCHANGE

PUC980075 BELL ATLANTIC-VIRGINIA, INC.
TO IMPLEMENT EXTENDED LOCAL SERVICE FROM FAIRFAX/VIENNA EXCHANGE TO ARCOLA EXCHANGE OF GTE SOUTH, INC.

PUC980076 BELL ATLANTIC-VIRGINIA, INC. AND CRG INTERNATIONAL OF VIRGINIA, INC. D/B/A NETWORK ONE
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC980077 AT&T COMMUNICATIONS OF VIRGINIA, INC.
FOR AUTHORITY TO SUSPEND TARIFF

PUC980078 GTE SOUTH INCORPORATED AND CFW NETWORK, INCORPORATED
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252 (E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC980080 GTE COMMUNICATIONS CORP. OF VIRGINIA
FOR CERTIFICATE TO PROVIDE LOCAL EXCHANGE TELECOMMUNICATIONS SERVICE

PUC980081 CENTRAL TELEPHONE CO. OF VIRGINIA, UNITED TELEPHONE-SOUTHEAST, INC. AND TIN CAN COMMUNICATIONS CO., LLC
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC980084 BELL ATLANTIC-VIRGINIA, INC. AND USN COMMUNICATIONS VIRGINIA, INC.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC980085 BELL ATLANTIC-VIRGINIA, INC. AND INTERNATIONAL TELEPHONE GROUP, INC.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC980086 GTE SOUTH, INC.
ALLEGED VIOLATION OF VA CODE §§ 56-234 AND 56-236

PUC980088 DIECA COMMUNICATIONS INC D/B/A COVAD COMMUNICATIONS CO.
FOR ARBITRATION OF UNRESOLVED ISSUES FROM INTERCONNECTION NEGOTIATIONS WITH BELL ATLANTIC-VIRGINIA INC. PURSUANT TO § 252 OF THE TELECOMMUNICATIONS ACT OF 1996

PUC980089 BELL ATLANTIC-VIRGINIA, INC.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC980090 BELL ATLANTIC-VIRGINIA, INC. AND ACCESS VIRGINIA, INC.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC980092 STARPOWER COMMUNICATIONS LLC V. BELL ATLANTIC-VIRGINIA INC.
TO REQUIRE BELL ATLANTIC-VIRGINIA TO PROVIDE VOICE MAIL SERVICES FOR RESALE UNDER § 251(C) (4) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC980093 Z-TEL COMMUNICATIONS OF VIRGINIA, INC.
FOR CERTIFICATE TO PROVIDE LOCAL EXCHANGE TELECOMMUNICATIONS SERVICE

PUC980094 GTE SOUTH INCORPORATED AND ATLANTIC TELECOM, INCORPORATED
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC980095 BELL ATLANTIC-VIRGINIA, INC. AND LAQUIERE, JERRY
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMUNICATIONS ACT OF 1996

PUC980096 BELL ATLANTIC-VIRGINIA, INC. AND VIRGINIA PCS ALLIANCE, L.C.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC980097 AEP COMMUNICATIONS LLC
FOR CERTIFICATE TO PROVIDE INTEREXCHANGE TELECOMMUNICATIONS SERVICES

PUC980098 GTE SOUTH INCORPORATED
ANNUAL INFORMATIONAL FILING

PUC980099 BELL ATLANTIC-VIRGINIA, INC. AND NTEL COMMUNICATIONS, LLC
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC980100 ICG TELECOM GROUP OF VIRGINIA, INC.
FOR CERTIFICATE TO PROVIDE LOCAL EXCHANGE TELECOMMUNICATIONS SERVICES

PUC980101 GTE SOUTH, INC.
TO IMPLEMENT EXTENDED LOCAL SERVICE FROM GRUNDY EXCHANGE TO BELL ATLANTIC-VIRGINIA, INC.'S HONAKER EXCHANGE

PUC980102 GTE SOUTH INCORPORATED AND KMC TELECOM OF VIRGINIA, INC.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC980103 CTC COMMUNICATIONS OF VIRGINIA, INC.
FOR CERTIFICATE TO PROVIDE LOCAL EXCHANGE AND INTEREXCHANGE TELECOMMUNICATIONS SERVICES

PUC980104 BELL ATLANTIC-VIRGINIA, INC. AND NA COMMUNICATIONS, INC.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC980105 UNITED TELEPHONE-SOUTHEAST, INC. AND NA COMMUNICATIONS, INC.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC980106 BELL ATLANTIC-VIRGINIA, INC. AND MEGATEL CORPORATION
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC980107 GLOBAL NAPS SOUTH, INC.
FOR CERTIFICATE TO PROVIDE LOCAL EXCHANGE TELECOMMUNICATIONS SERVICES

PUC980108 BELL ATLANTIC-VIRGINIA, INC. AND COMAV TELCO, INC.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC980109 BELL ATLANTIC-VIRGINIA, INC.
FOR APPROVAL OF TARIFF REVISIONS TO CREATE VALUE ADDED SERVICE PACKAGE

PUC980110 GTE SOUTH INCORPORATE AND 360 COMMUNICATIONS
FOR APPROVAL OF INTERCONNECTION AGREEMENT

PUC980111 ALLEGIANCE TELECOM OF VIRGINIA, INC.
FOR CERTIFICATES TO PROVIDE LOCAL EXCHANGE AND INTEREXCHANGE TELECOMMUNICATIONS SERVICES

PUC980112 PRIME TELECOM POTOMAC, LLC
FOR CERTIFICATES TO PROVIDE LOCAL EXCHANGE TELECOMMUNICATIONS SERVICES

PUC980113 PREFERRED CARRIER SERVICES OF VIRGINIA, INC.
FOR DECLARATORY JUDGMENT CONCERNING AUTHORITY TO PROVIDE LOCAL EXCHANGE TELEPHONE SERVICE

PUC980115 BELL ATLANTIC-VIRGINIA, INC. AND ACC NATIONAL TELECOM CORP.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC980116 BELL ATLANTIC-VIRGINIA, INC.
TO IMPLEMENT EXTENDED LOCAL SERVICE FROM SALEM EXCHANGE TO NEW CASTLE TELEPHONE COMPANY'S NEW CASTLE EXCHANGE

PUC980117 BELL ATLANTIC-VIRGINIA, INC.
TO IMPLEMENT EXTENDED LOCAL SERVICE FROM ROANOKE EXCHANGE TO NEW CASTLE TELEPHONE COMPANY'S NEW CASTLE EXCHANGE

PUC980118 STATDIRECT INC.
FOR CERTIFICATE TO PROVIDE LOCAL EXCHANGE TELECOMMUNICATIONS SERVICES

PUC980119 BELL ATLANTIC-VIRGINIA, INC. AND TIDALWAVE TELEPHONE, INC.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC980120 BELL ATLANTIC-VIRGINIA, INC. AND GTE COMMUNICATIONS CORP. OF VIRGINIA
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC980122 NETWORK ACCESS SOLUTIONS, INC.
FOR CERTIFICATES TO PROVIDE LOCAL EXCHANGE AND INTEREXCHANGE TELECOMMUNICATIONS SERVICES

PUC980123 BELL ATLANTIC-VIRGINIA, INC. AND EAST COAST COMMUNICATIONS, INC.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS OF 1996

PUC980124 CENTRAL TELEPHONE CO. OF VIRGINIA, VIRGINIA PCS ALLIANCE, L.C. AND VIRGINIA RSA 6 CELLULAR LIMITED PARTNERSHIP
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC980126 BELL ATLANTIC-VIRGINIA, INC. AND TELEPHONE CO. OF CENTRAL FLORIDA, INC.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC980127 ACME TELEPHONE COMPANY INC.
FOR CERTIFICATES TO PROVIDE LOCAL EXCHANGE AND INTEREXCHANGE TELECOMMUNICATIONS SERVICES

PUC980128 XDSL NETWORKS, INC.
FOR CERTIFICATES TO PROVIDE LOCAL EXCHANGE AND INTEREXCHANGE TELECOMMUNICATIONS SERVICES

PUC980129 SOUTHNET TELECOMM-VIRGINIA, INC.
FOR CERTIFICATE TO PROVIDE LOCAL EXCHANGE TELECOMMUNICATIONS SERVICES

PUC980130 GTE SOUTH INCORPORATED AND AIRTOUCH PAGING OF VIRGINIA, INC.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC980131 GTE SOUTH INCORPORATED, CFW WIRELESS, INC., VIRGINIA PCS ALLIANCE, L.C. AND WEST VIRGINIA PCS ALLIANCE, L.C.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC980132 UNITED TELEPHONE-SOUTHEAST, INC.
FOR APPROVAL OF INTERCONNECTION AGREEMENT WITH PREFERRED CARRIER SERVICES, INC. UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC980133 CENTRAL TELEPHONE CO. OF VIRGINIA
FOR APPROVAL OF INTERCONNECTION AGREEMENT WITH PREFERRED CARRIER SERVICES, INC. UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC980134 ACCESS POINT OF VIRGINIA, INC.
FOR CERTIFICATE TO PROVIDE LOCAL EXCHANGE TELECOMMUNICATIONS SERVICES

PUC980135 GTE SOUTH INCORPORATED AND TIDALWAVE TELEPHONE
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC980137 BELL ATLANTIC-VIRGINIA, INC. AND PREFERRED CARRIER SERVICES OF VIRGINIA, INC.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC980138 CENTRAL TELEPHONE CO. OF VIRGINIA AND EZ TALK COMMUNICATIONS, L.L.C.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC980139 UNITED TELEPHONE-SOUTHEAST AND EZ TALK COMMUNICATIONS, L.L.C.
FOR APPROVAL OF INTECONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC980140 SINGLE SOURCE OF VIRGINIA, INCORPORATED
FOR CERTIFICATE TO PROVIDE LOCAL EXCHANGE TELECOMMUNICATIONS SERVICES

PUC980141 KMC TELECOM OF VIRGINIA, INC.
TO EXPAND ITS SERVICE TERRITORY FOR THE PROVISION OF LOCAL EXCHANGE SERVICE

PUC980142 TRANSWIRE VIRGINIA OPERATIONS
FOR CERTIFICATE TO PROVIDE LOCAL EXCHANGE AND INTEREXCHANGE CARRIER ACCESS SERVICES

PUC980144 GTE SOUTH INCORPORATED AND CRG INTERNATIONAL, INC. D/B/A NETWORK ONE
FOR APPROVAL OF INCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC980145 TRANSWIRE VIRGINIA OPERATIONS LLC AND BELL ATLANTIC-VIRGINIA INC.
FOR ARBITRATION OF INTERCONNECTION AGREEMENT

PUC980147 BELL ATLANTIC-VIRGINIA, INC.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC980148 BELL ATLANTIC-VIRGINIA, INC. AND NET-TEL COMMUNICATIONS CORPORATION
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC980149 BELL ATLANTIC-VIRGINIA, INC. AND NORTHPOINT COMMUNICATIONS, INC.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC980151 BELL ATLANTIC-VIRGINIA, INC., MEDIAONE OF VIRGINIA, AND MEDIAONE TELECOMMUNICATIONS OF VIRGINIA, INC.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC980153 PAGING NETWORK, INC.
FOR ARBITRATION OF UNRESOLVED ISSUES FROM INTERCONNECTION NEGOTIATIONS WITH BELL ATLANTIC-VIRGINIA, INC. PURSUANT TO § 252 OF THE TELECOMMUNICATIONS ACT OF 1996

PUC980155 NEW CENTURY TELECOM, INC.
FOR CERTIFICATE TO PROVIDE LOCAL EXCHANGE TELECOMMUNICATIONS SERVICES

PUC980156 HYPERION COMMUNICATIONS OF VIRGINIA, LLC
FOR CERTIFICATES TO PROVIDE LOCAL EXCHANGE AND INTEREXCHANGE TELECOMMUNICATIONS SERVICES

PUC980157 BELL ATLANTIC-VIRGINIA, INC. AND DIECA COMMUNICATIONS, INC. D/B/A COVAD COMMUNICATIONS CO.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC980158 ESSEX TELECOMMUNICATIONS OF VIRGINIA, INC.
FOR CERTIFICATE TO PROVIDE LOCAL EXCHANGE TELECOMMUNICATIONS SERVICES

PUC980159 CAVALIER TELEPHONE, L.L.C.
FOR CERTIFICATES TO PROVIDE LOCAL EXCHANGE AND INTEREXCHANGE TELECOMMUNICATIONS SERVICES

PUC980160 BELL ATLANTIC-VIRGINIA, INC. AND CTC COMMUNICATIONS OF VIRGINIA, INC.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC980161 TELECOM LICENSING OF VIRGINIA, INC.
FOR CERTIFICATE TO PROVIDE LOCAL EXCHANGE TELECOMMUNICATIONS SERVICES

PUC980164 INTERPATH COMMUNICATIONS, INC.
FOR CERTIFICATES TO PROVIDE LOCAL EXCHANGE AND INTEREXCHANGE TELECOMMUNICATIONS SERVICES

PUC980170 FRE COMMUNICATIONS, INC.
FOR CERTIFICATES TO PROVIDE LOCAL EXCHANGE AND INTEREXCHANGE TELECOMMUNICATIONS SERVICES

PUC980171 CYRIS LLC
FOR CERTIFICATE TO PROVIDE LOCAL EXCHANGE, EXCHANGE ACCESS AND INTEREXCHANGE TELECOMMUNICATIONS SERVICES

PUC980173 GLOBAL NAPS SOUTH, INC.
FOR ARBITRATION OF UNRESOLVED ISSUES FROM INTERCONNECTION NEGOTIATIONS WITH BELL ATLANTIC-VIRGINIA, INC. PURSUANT TO § 252 OF THE TELECOMMUNICATIONS ACT OF 1996

PUC980174 BELL ATLANTIC-VIRGINIA, INC.
FOR APPROVAL OF INTERCONNECTIONS AGREEMENT WITH NEXTLINK OF VIRGINIA LLC
PUC980175 KMC TELECOM OF VIRGINIA INC. V. BELL ATLANTIC-VIRGINIA, INC.
TO REQUIRE BELL ATLANTIC-VIRGINIA, INC. TO ALLOW RESALE OF CONTRACT SERVICE ARRANGEMENTS
PUC980176 BELL ATLANTIC-VIRGINIA INC.
FOR AUTHORITY TO INTRODUCE A NEW COMPETITIVE SERVICE
PUC980177 CABLE & WIRELESS INC.
FOR APPROVAL TO AMEND CERTIFICATE TO REFLECT NEW NAME
PUC980178 GTE SOUTH INC. AND PRIMECO
FOR APPROVAL OF INTERCONNECTION AGREEMENT
PUC980179 360 COMMUNICATIONS CO. OF CHARLOTTESVILLE D/B/A ALLTEL
FOR CERTIFICATE TO PROVIDE TELECOMMUNICATION SERVICES
PUC980180 SHENTEL COMMUNICATIONS CO.
FOR CERTIFICATE TO PROVIDE LOCAL EXCHANGE TELECOMMUNICATIONS SERVICES
PUC980181 GTE SOUTH INC. AND PREFERRED CARRIER SERVICE
FOR APPROVAL OF INTERCONNECTION RESALE AGREEMENT
PUC980182 VIC-RMTS-DC, L.L.C.
FOR WAIVER OF PRICE CEILINGS FOR CERTAIN NONRECURRING CHARGES AND INTERIM AUTHORITY
PUC980183 BELL ATLANTIC-VIRGINIA, INC. AND TRITON PCS OPERATING COMPANY, L.L.C.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996
PUC980185 CENTRAL TELEPHONE CO. OF VIRGINIA AND UNITED TELEPHONE-SOUTHEAST, INC.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996
PUC980186 GTE SOUTH INC. AND NEXTEL
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996
PUC980191 GTE SOUTH INC. AND RCN TELECOM SERVICES OF VIRGINIA INC.
FOR APPROVAL OF RESALE INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996
PUC980192 GTE SOUTH INC. AND STARPOWER
FOR APPROVAL OF RESALE INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996
PUC980193 WINSTAR WIRELESS OF VIRGINIA, LLC
TO CHANGE COMPANY STATUS FROM WINSTAR WIRELESS OF VIRGINIA, LLC
PUC980194 BELL ATLANTIC-VIRGINIA, INC.
TO IMPLEMENT EXTENDED LOCAL SERVICE FROM RICHMOND EXCHANGE TO GOOCHLAND EXCHANGE
PUC980195 BELL ATLANTIC-VIRGINIA, INC. AND FOCAL COMMUNICATIONS CORP.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996
PUC980196 BELL ATLANTIC-VIRGINIA, INC. AND PAGING NETWORK OF WASHINGTON INC.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996
PUC980197 GTE SOUTH INCORPORATED AND PRE-PAID LOCAL ACCESS PHONE SERVICE CO.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUE: DIVISION OF ENERGY REGULATION

PUE971024 WASHINGTON GAS LIGHT CO.
FOR APPROVAL OF A PILOT DELIVERY SERVICE PROGRAM
PUE980001 NOCUTS INC.
ALLEGED VIOLATION OF VA CODE §§ 56-265.19 A, ET AL.
PUE980002 AMERICAN TRENCHING CO. INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 B
PUE980003 ATLANTIC COASTAL CLEARING & GRADING, INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980004 B&H SALES CORPORATION
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980005 BASIC CONSTRUCTION COMPANY
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980006 BAY ELECTRIC CO. INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980007 BLUE RIDGE PAVING INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980008 BROOKS LANDSCAPING INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980009 BURWILL CONSTRUCTION CO. INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980010 CBC ENTERPRISES
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980011 COLONIAL GARDENS
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980012 COMMUNITY PLUMBING
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980013 CUSTOM CONCRETE
ALLEGED VIOLATION OF VA CODE § 56-265.17 C

PUE980014 DESIGN-MANAGEMENT SERVICES INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980015 G&G ENTERPRISES
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980016 HENRY S. BRANSCOME INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980017 MID EASTERN BUILDERS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980018 ROANOKE GAS COMPANY
ALLEGED VIOLATION OF VA CODE § 56-265.19 A
PUE980019 S LEWIS LIONBERGER CONSTRUCTION CO.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980020 SOUTH BEACH CONCRETE
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980021 SUBURBAN GRADING & UTILITIES INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980022 UNITED CITIES GAS COMPANY
ALLEGED VIOLATION OF VA CODE § 56-265.19 A
PUE980023 VALLEY FENCE AND DECK
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980024 W W SPRADLIN EXCAVATING
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980025 WOLF CONTRACTORS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980026 CARNELL CONSTUCTION CORP.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980027 COOPER & CLAIBORNE CONSTRUCTION INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 C
PUE980028 SOUTHERN CONSTRUCTION CO. INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980029 FAIRWOOD HOMES INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980030 POLYNESIAN POOLS
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980031 LUCAS UNDERGROUND UTILITIES
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980032 HERITAGE SITE DEVELOPEMENT INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980033 MINORITY ENTERPRISES INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980034 COMPUTER CABLING & TELEPHONE SERVICES INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980035 SANFORD BROTHERS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980036 GRAVES ELECTRIC SERVICE INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980037 L E BALLANCE ELECTRICAL SERVICE. INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980038 STACKHOUSE INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980039 UTILX CORPORATION
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980040 PERRY CABLE SERVICES
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980041 VIRGINIA NATURAL GAS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.19 A
PUE980042 COMMONWEALTH GAS SERVICES INC.
ALLEGED VIOLATION OF VA CODE § 56-265.19 A
PUE980043 BYERS ENGINEERING COMPANY
ALLEGED VIOLATION OF VA CODE § 56-265.19 A
PUE980044 VIRGINIA ELECTRIC & POWER CO.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980045 JTG ELECTRIC CO. INC.
ALLEGED VIOLATION OF VA CODE §§ 56-265.17 A, ET AL.
PUE980046 ENGLISH CONSTRUCTION CO. INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980047 A & W CONTRACTING CORP.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980048 NORTHERN VIRGINIA UTILITY PROTECTION SERVICE INCORPORATED
FOR CERTIFICATION AS NOTIFICATION CENTER FOR NORTHERN VIRGINIA PURSUANT TO VA CODE § 56-265.16:1

PUE980049 POTOMAC EDISON COMPANY, THE
TO REVISE ITS FUEL FACTOR
PUE980050 LEWANDOWSKI, JOHN S. V. ALLEGHENY POWER CO.
FORMAL REQUEST FOR HEARING RE: DISPUTE OVER BILL
PUE980051 NORTHERN VIRGINIA ELECTRIC COOPERATIVE
ALLEGED VIOLATION OF VA CODE § 56-265.18
PUE980052 C&F CONSTRUCTION COMPANY
ALLEGED VIOLATION OF VA CODE § 56-265.18
PUE980053 VIRGINIA ELECTRIC & POWER CO.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980054 WILLIAM B. HOPKE CO. INC.
ALLEGED VIOLATION OF VA CODE § 56-265.18
PUE980055 POTOMAC EDISON COMPANY
TO REVISE ITS COGENERATION TARIFF PURSUANT TO PURPA § 210
PUE980056 VIRGINIA-AMERICAN WATER CO.
ANNUAL INFORMATIONAL FILING
PUE980057 WATERWORKS COMPANY OF FRANKLIN
FOR AUTHORITY TO AMEND RATES, RULES, AND REGULATIONS
PUE980058 KENTUCKY UTILITIES CO. T/A OLD DOMINION POWER CO.
TO REVISE ITS FUEL FACTOR
PUE980059 DEANE, MIKE, ET AL. V. BOTETOURT FOREST WATER CORP.
FOR INQUIRY INTO PROPOSED RATE INCREASE
PUE980060 VIRGINIA ELECTRIC & POWER CO.
FOR CERTIFICATE OF AUTHORITY TO CONSTRUCT AND OPERATE TRANSMISSION LINES AND FACILITIES IN DINWIDDIE COUNTY
PUE980061 A&M CONCRETE CORP.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980062 C&F CONSTRUCTION COMPANY
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980063 T L WALKER CO.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980064 MARTIN & GASS INCORPORATED
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980065 STRONG COMPANIES INC., THE
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980066 R L RIDER & CO.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980067 R B HINKLE CONSTRUCTION INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980068 LEO CONSTRUCTION COMPANY
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980069 HITT CONTRACTING INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980070 PETTIBONE CONSTRUCTION CO. INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980071 PAYNE'S PARKING DESIGN INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980072 SCOTT IRRIGATION INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980073 AVALON PROPERTIES
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980074 AGEE, SR. J. L.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980075 LOBO CONSTRUCTION COMPANY
ALLEGED VIOLATION OF VA CODE § 56-265.17 B
PUE980076 S AND N COMMUNICATIONS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 C
PUE980077 D A FOSTER COMPANY
ALLEGED VIOLATION OF VA CODE § 56-265.17 B
PUE980078 LONG CONSTRUCTION GROUP INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980079 ALL PLUMBING
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980080 A J P PAVING
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980081 AMW OF TIDEWATER INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980082 BECO CONSTRUCTION INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980083 CAMPBELL'S ASPHALT PAVING CO.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A

PUE980084 CAVE SPRING EXCAVATING INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980085 CLASSIC CITY MECHANICAL INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980086 CLEAR MOORE CORPORATION
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980087 COX COMMUNICATIONS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.19 A
PUE980088 D&D EXCAVATING
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980089 D&E CABLE INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980090 DAVID A. NICE BUILDERS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980091 GEORGE L. GOBBLE CONSTRUCTION
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980092 HORTICULTURAL SERVICES INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980093 HUDGINS CONTRACTING CORP.
ALLEGED VIOLATION OF VA CODE § 56-265.17 C
PUE980094 J. G. MILLER INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980095 MID EASTERN BUILDERS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980096 PREMIER PAVING & CONSTRUCTION CO. INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980097 READY ENTERPRISES INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980098 ROSS & SONS UTILITY CONTRACTOR INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980099 SOUTHSIDE CONSTRUCTION INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980100 STRAUSS CONSTRUCTION CORP.
ALLEGED VIOLATION OF VA CODE § 56-265.17 B
PUE980101 T&R CLEARING INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 B
PUE980102 VENTURE CONSTRUCTION COMPANY
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980103 WAYJO INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980104 MAUGHAN CONSTRUCTION CO. INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980105 SANITARY ENGINEERING CO. INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980106 VIRGINIA ELECTRIC & POWER CO.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980107 UNITED CITIES GAS COMPANY
ALLEGED VIOLATION OF VA CODE § 56-265.19 A
PUE980108 W. L. CONSTRUCTION & PAVING INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980109 VIRGINIA NATURAL GAS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.19 A
PUE980110 WILKINS & ASSOCIATES INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980111 WASHINGTON GAS LIGHT COMPANY
ALLEGED VIOLATION OF VA CODE § 56-275.19 A
PUE980112 ATLANTIC COASTAL CLEARING & GRADING INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980113 COLUMBIA GAS OF VIRGINIA INC.
ALLEGED VIOLATION OF VA CODE § 56-265.19 A
PUE980114 STACKHOUSE INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980115 LAKESIDE MECHANICAL INC.
ALLEGED VIOLATION OF VA CODE § 56-265.18
PUE980116 BYERS ENGINEERING COMPANY
ALLEGED VIOLATION OF VA CODE § 56-265.19 A
PUE980117 R & P LUCAS UNDERGROUND UTILITIES INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980118 C.B.C. ENTERPRISES INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A

PUE980119 SHANCO CORPORATION
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980120 SUBURBAN GRADING & UTILITIES INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980121 ROADRUNNER PAVING
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980122 E. W. BROWN PLUMBING & HEATING INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980123 PRECON CONSTRUCTION COMPANY
ALLEGED VIOLATION OF VA CODE § 56-265.17 C
PUE980124 VIRGINIA ENERGY SERVICES
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980125 TRAVILIAN HOMES INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980126 EXCEL PAVING CORPORATION
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980127 TIDEWATER UNDERGROUND COMMUNICATIONS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980128 CHECKMATE COMMUNICATIONS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980129 RICK CARNEY IRRIGATION INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980130 E. R. NEFF EXCAVATING INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980131 PERRI-AIR EQUIPMENT COMPANY
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980132 MYERS CABLE INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980133 SOUTHWEST CONSTRUCTION INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980134 MAUST ENTERPRISES
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980135 NOCUTS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.19 A
PUE980136 A & W CONTRACTORS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 B
PUE980137 COLES REPAIR & RECYCLING
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980138 EX PARTE: REPORTS
IN MATTER OF REQUIRING REPORTS AND ACTIONS RELATED TO INDEPENDENT SYSTEM OPERATORS, REGIONAL POWER EXCHANGES AND RETAIL ACCESS PILOT PROGRAMS
PUE980139 RESTON LAKE ANNE AIR CONDITIONING CORP.
FOR AUTHORITY TO INCREASE WATER RATES
PUE980140 VIRGINIA ELECTRIC & POWER CO.
FOR WAIVER AND REQUEST FOR EXTENSION OF TIME TO FILE ANNUAL INFORMATIONAL FILING
PUE980142 DELMARVA POWER & LIGHT CO.
ANNUAL INFORMATION FILING
PUE980143 WASHINGTON GAS LIGHT COMPANY
ANNUAL INFORMATION FILING
PUE980144 UNITED CITIES GAS COMPANY
ANNUAL INFORMATION FILING
PUE980145 KENTUCKY UTILITIES CO. T/A OLD DOMINION POWER CO.
ANNUAL INFORMATIONAL FILING
PUE980146 NEWCOMB ELECTRIC CO. INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980147 SHENANDOAH GAS COMPANY
ANNUAL INFORMATIONAL FILING
PUE980148 UTILX CORPORATION
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980149 BASIC CONSTRUCTION COMPANY
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980150 BELL ATLANTIC-VIRGINIA, INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980151 CABLE ASSOCIATES INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980152 CUSTOM IRRIGATION SYSTEMS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980153 GENCOR & ASSOCIATES INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980154 JRML DESIGN & PROJECT
ALLEGED VIOLATION OF VA CODE § 56-265.17 A

PUE980155 AB GOODE LANDSCAPING
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980156 ATLANTIC CABLE & TRENCH INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980157 ATLANTIC CABLE SERVICE INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980158 KENKO INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980159 NEW RIVER ROOTER SERVICE LLC
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980160 PERRY CABLE SERVICE
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980161 B & B UNDERGROUND
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980162 R&P LUCAS UNDERGROUND UTILITIES INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 C
PUE980163 BUCHANAN & RICE CONTRACTS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980164 UNITED CITIES GAS COMPANY
ALLEGED VIOLATION OF VA CODE § 56-265.19 A
PUE980165 COLUMBIA GAS OF VIRGINIA INC.
ALLEGED VIOLATION OF VA CODE § 56-265.19 A
PUE980166 A&A GROUP INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 B
PUE980167 MEARS/CPG, INC.
ALLEGED VIOLATION OF VA CODE SEC. 56-265.24 A
PUE980168 EXCALIBUR CABLE
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980169 HOLLADAY CONSTRUCTION CO. INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980170 J M HOLT & SONS CONSTRUCTION INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980171 MLP CONCEPTS
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980172 MCLEAN IRRIGATION INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980173 H&S ELECTRIC INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980174 MAUST ENTERPRISES OF VIRGINIA
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980175 PERFORMANCE CONCRETE INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980176 TABERS HOME IMPROVEMENTS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980177 TRULUR CONSTRUCTION INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980178 LOWERY, V. M.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980179 COMPUTER CABLING & TELEPHONE SERVICES INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980180 D&F CONSTRUCTION INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980181 JOT FIBER INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980182 NEW CONSTRUCTION INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 C
PUE980183 NORTHERN VIRGINIA ELECTRIC COOPERATIVE
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980184 PRATA CONSTRUCTION
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980185 PRINCE WILLIAM CONSTRUCTION CO.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980186 SPRING VALLEY CONCRETE INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980187 ATLAS PLUMBING & MECHANICAL INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 C
PUE980188 CAPCO CONSTRUCTION CORP.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980189 CRAMERS HAULING & SERVICES
ALLEGED VIOLATION OF VA CODE § 56-265.17 A

PUE980190 DOMINION FENCE & DECK CO.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980191 GEOFREEZ INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980192 JHL PLUMBING INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 B
PUE980193 M/A TELECOMMUNICTIONS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980194 MICH-COM CABLE SERVICES INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980195 NATIONAL CABLE CONSTRUCTION INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980196 TEETS EXCAVATING INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980197 WEIDMAN & SON CONTRACTING CO.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980198 WILLIAM B. HOPKE CO. INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 C
PUE980199 NORTHERN PIPELINE CONSTRUCTION CO.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980200 FOLEY PLUMBING INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980201 ASSOCIATED METROPOLITAN
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980202 AVALON PROPERTIES
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980203 BELL BROS. INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980204 COFFEY CONCRETE
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980205 FLIPPO CONSTRUCTION CO. INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980206 MARTIN AND GASS INCORPORATED
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980207 MARUMSCO EQUIPMENT CORP.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980208 NETO CONSTRUCTION CO. INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980209 PIONEER ELECTRIC INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 C
PUE980210 STAR CONCRETE CONSTRUCTION CO. INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980211 RICHARDSON-WAYLAND ELECTRIC
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980212 STRONG COMPANIES INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980213 UNIWEST CONSTRUCTION INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980214 WILLIAM WALSH CONSTRUCTION CO. INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980215 DRIGGS CORPORATION
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980216 CHECKMATE COMMUNICATIONS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980217 BEN LEWIS PLUMBING INC.
ALLEGED VIOLATION OF VA CODE §§ 56-265.24 A, ET AL.
PUE980218 BYERS ENGINEERING COMPANY
ALLEGED VIOLATION OF VA CODE §§ 56-265.19 A, ET AL.
PUE980219 ROCKINGHAM CONSTRUCTION CO. INC.
ALLEGED VIOLATION OF VA CODE §§ 56-265.24 A, ET AL.
PUE980220 S AND N COMMUNICATIONS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980221 S. W. RODGERS COMPANY INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980222 VIRGINIA ELECTRIC & POWER CO.
ALLEGED VIOLATION OF VA CODE §§ 56-265.17 B, ET AL.
PUE980223 WASHINGTON GAS LIGHT CO.
ALLEGED VIOLATION OF VA CODE § 56-265.19 A
PUE980224 NOCUTS INC.
ALLEGED VIOLATION OF VA CODE §§ 56-265.19 A, ET AL.

PUE980225 VIRGINIA NATURAL GAS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.19 A
PUE980226 COLE'S REPAIR AND RECYCLING
ALLEGED VIOLATION OF VA CODE §56-265.17 A
PUE980227 LANTIC CONCRETE CORPORATION
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980228 DARNELL'S LOADER SERVICE
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980229 J. SPILLMAN & CO. CONTRACTORS
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980230 H. D. JONES CONSTRUCTION
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980231 A&W CONTRACTING CORP.
ALLEGED VIOLATION OF VA CODE § 56-265.17 C
PUE980232 E. I. DU PONT DE NEMOURS AND CO., CONOCO INC. AND AEP RESOURCES, INC.
FOR DECLARATORY ORDER
PUE980233 EQUITABLE RESOURCES ENERGY
TO FURNISH GAS SERVICE TO P.C. VIRGINIA SYNTHETIC FUEL #1 L.L.C. PURSUANT TO VA CODE § 56-265.4:5
PUE980234 POTOMAC EDISON CO., THE D/B/A ALLEGHENY POWER
ANNUAL INFORMATIONAL FILING
PUE980235 AB GOODE LANDSCAPING
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980236 ALLIED FENCE COMPANY INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980237 ATLANTIC CLEARING & GRADING CO.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980238 ATLANTIC FOUNDATIONS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980239 ESKCO CONSTRUCTION CORPORATION
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980240 HARLAN PLUMBING COMPANY INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980241 HARRY L. BROWN & ASSOCIATES LTD
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980242 MCLEAN IRRIGATION INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980243 O&S ELECTRICAL LTD
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980244 ROBERTSON CABLE SERVICE
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980245 RECYLE AND DEVELOPMENT INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 B
PUE980246 SUFFOLK POOLS AND SPAS, INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980247 ERNEST G. VALIANOS CONTRACTOR INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980248 WATSON ELECTRICAL CONSTRUCTION CO.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980249 ADVANCE AUTO STORE DISTRIBUTION CENTER
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980250 BARKER BUILDING COMPANY
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980251 CONTRACTING ENTERPRISES INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980252 DIXON CONTRACTING INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980253 FITZGERALD'S ASPHALT & SEALING CO. INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980254 JOE BANDY AND SONS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 C
PUE980255 LOBO CONSTRUCTION COMPANY
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980256 NV HOMES INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980257 OVERBAY CONSTRUCTION CO. INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980258 POWERS FENCE CO. OF ROANOKE INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980259 ROANOKE ELECTRIC STEEL CORP.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A

PUE980260 SHINAULT PLUMBING & HEATING
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980261 SIMPKINS CONSTRUCTION
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980262 SMITHS HOME IMPROVEMENT CORP.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980263 DRIGGS CORPORATION, THE
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980264 WEDDLE PLUMBING & HEATING CO.
ALLEGED VIOLATION OF VA CODE § 56-265.17 B
PUE980265 ALEXACO ELECTRIC INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980266 ASH-GAYLE INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980267 ATLANTIC CABLE & TRENCH INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980268 CLEAR MOORE CORPORATION
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980269 DITCH WITCH OF VIRGINIA INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980270 DOZIER ENTERPRISES INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980271 FALCON CONSTRUCTION CORP.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980272 GILDERSLEEVE PUMP & WELL INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980273 LAND VENTURE DEVELOPERS
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980274 PASCO INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980275 PURVIS & ASSOCIATES
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980276 T K VANN SERVICES INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980277 TIDEWATER UTILITY CONSTRUCTION INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980278 VIRGINIA ELECTRIC & POWER CO.
ALLEGED VIOLATION OF VA CODE §§ 56-265.17 A, ET AL.
PUE980279 CASPER COLOSIMO & SON INC.
ALLEGED VIOLATION OF VA CODE §§ 56-265.24 A, ET AL.
PUE980280 CESARIOS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980281 CRISAK INCORPORATED
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980282 D A FOSTER COMPANY
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980283 EAKIN-YOUGENTOB ASSOCIATES INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980284 EURO PAVE INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980285 FRED W BORDEN INCORPORATED
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980286 BO-BUD CONSTRUCTION CO. OF VA
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980287 COLUMBIA GAS OF VIRGINIA, INC.
FOR APPROVAL OF GENERAL INCREASE IN NATURAL GAS RATES
PUE980288 APPALACHIAN POWER COMPANY
FOR APPROVAL TO EXTEND TIME TO FILE ANNUAL INFORMATIONAL FILING
PUE980289 G P HOMES
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980290 GEOTASK LTD
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980291 H B KING PLUMBING
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980292 HOMES BY VINCENT INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980293 JSC CONCRETE CONSTRUCTION INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980294 BOVIS CONSTRUCTION CORP.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A

PUE980295 PHOENIX BUILDERS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980296 PHOENIX DEVELOPMENT CORP.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980297 PIONEER ELECTRIC INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980298 PW LLC
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980299 ROCKINGHAM CONSTRUCTION CO. INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980300 TWIN CONTRACTING CORPORATION
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980301 UNDERGROUND SYSTEMS GROUP LC
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980302 J & S EXCAVATING
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980303 ABLE PLUMBING
ALLEGED VIOLATION OF VA CODE § 56-265.17 B
PUE980304 BASELINE CONSULTANTS
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980305 BEN LEWIS PLUMBING INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980306 CUBE CONSTRUCTION CORP.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980307 DOWN UNDER CONSTRUCTION CO. INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980308 HARLAND J. SHOEMAKER & SONS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980309 HOTT & SONS EXCAVATING LLC
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980310 LEO CONSTRUCTION COMPANY
ALLEGED VIOLATION OF VA CODE § 56-265.17 C
PUE980311 MARTIN & GASS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 C
PUE980312 MEDIA GENERAL CABLE OF FAIRFAX
ALLEGED VIOLATION OF VA CODE § 56-265.17 B
PUE980313 S & N COMMUNICATIONS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 C
PUE980314 WILLIAM B. HOPKE CO. INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980315 WINKELMAN & HOOD INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980316 D D WOOD COMMUNICATIONS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980317 ROGER D. NOELL PUMP SALES & SERVICE
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980318 VIRGINIA NATURAL GAS INC.
ALLEGED VIOLATION OF VA CODE §§ 56-265.19 A, ET AL.
PUE980319 WASHINGTON GAS LIGHT COMPANY
ALLEGED VIOLATION OF VA CODE §§ 56-265.19 A, ET AL.
PUE980320 BYERS ENGINEERING COMPANY
ALLEGED VIOLATION OF VA CODE §§ 56-265.19 A, ET AL.
PUE980321 GRANJA CONTRACTING INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980322 WALSH ELECTRIC COMPANY
ALLEGED VIOLATION OF VA CODE § 56-265.17 C
PUE980323 NOCUTS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.19 A
PUE980324 DELMARVA POWER & LIGHT CO.
FOR DECREASE IN ELECTRIC FUEL RATE PURSUANT TO VA CODE § 56-249.6
PUE980325 VIRGINIA GAS DISTRIBUTION CO.
ANNUAL INFORMATIONAL FILING
PUE980326 VIRGINIA GAS STORAGE COMPANY
ANNUAL INFORMATIONAL FILING
PUE980327 DELMARVA POWER & LIGHT COMPANY
FOR AUTHORITY TO DECREASE FUEL RATE
PUE980329 WILDWOOD FOREST WATER CO. INC.
FOR CERTIFICATE AUTHORIZING FURNISHING OF WATER
PUE980330 THOMAS BRIDGE WATER CORP.
STAFF REPORT IN RE: TO PREVIOUS RATE CASE

PUE980331 C&P SUFFOLK WATER COMPANY
FOR AMENDED CERTIFICATE AUTHORIZING FURNISHING OF WATER SERVICE
PUE980332 COMMONWEALTH PUBLIC SERVICE CORP.
ANNUAL INFORMATIONAL FILING
PUE980333 VIRGINIA ELECTRIC & POWER CO.
FOR APPROVAL OF SPECIAL RATE AND CONTRACT PURSUANT TO VA CODE § 56-235.2
PUE980334 SANVILLE UTILITIES CORP.
ALLEGED VIOLATION OF VA CODE § 56-265.13:4
PUE980335 APPALACHIAN POWER COMPANY
FOR APPROVAL OF RIDER TEC
PUE980336 B. P. SHORT & SONS PAVING CO. INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980337 E. R. NEFF EXCAVATING INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980338 F. D. NEAL CONSTRUCTION LTD
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980339 F. L. SHOWALTER INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980340 GUY C. EAVERS EXCAVATING CORP.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980341 LANTZ CONSTRUCTION CO. OF WINCHESTER, INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980342 LEE HY PAVING CORPORATION
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980343 MARUMSCO EQUIPMENT CORPORATION
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980344 PICKETT CORP. OF VIRGINIA
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980345 T & E CONSTRUCTION COMPANY INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980346 ACTION PAVING & CONSTRUCTION INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980347 AMW OF TIDEWATER INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 B
PUE980348 ASPHALT ROADS & MATERIALS CO. INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980349 BASIC CONSTRUCTION COMPANY
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980350 BOOKMAN CONSTRUCTION CO.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980351 CHESAPEAKE BAY CONTRACTORS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980352 COX COMMUNICATIONS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.19 A
PUE980353 CUSTOM ELECTRIC INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980354 DD CAMPBELL BACKHOE SERVICES
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980355 HAMPTON ROADS CONCRETE CORP.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980356 HENRY S. BRANSCOME INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980357 HORIZON FENCE COMPANY
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980358 JACLYN INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980359 JOHN E. HALL ELECTRICAL CONTRACTOR, INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980360 AFFORDABLE BUILDERS
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980361 BELL-BCI COMPANY
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980362 BUCHANAN CONSTRUCTION CO.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980363 CMC CONCRETE CONSTRUCTION
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980364 D A FOSTER COMPANY
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980365 DJM CONCRETE CO.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A

PUE980366 FLIPPO CONSTRUCTION COMPANY
ALLEGED VIOLATION OF VA CODE § 56-265.17 B
PUE980367 JOHN SIMPSON INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980368 C&P ISLE OF WIGHT WATER CO.
FOR CERTIFICATE TO PROVIDE WATER SERVICES
PUE980369 LS LEE INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980370 LOBO CONSTRUCTION COMPANY
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980372 HERNANDEX, LUIS A.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980373 MONUMENTAL LANDSCAPING & CONSTRUCTION SERVICES INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980374 NEW CONSTRUCTION INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980375 NORTHERN VIRGINIA ELECTRIC COOPERATIVE
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980376 NOVA TURF FARM INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980377 OBI CONSTRUCTION INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980378 RL RIDER & CO.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980379 RESTON PRESSURE SEAL INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980380 S. W. RODGERS CO. INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980381 STRONG COMPANIES INC, THE
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980382 UNDERGROUND SYSTEMS GROUP LC
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980383 WILLIAM B. HOPKE CO. INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980384 PRECON CONSTRUCTION COMPANY
ALLEGED VIOLATION OF VA CODE § 56-265.17 C
PUE980385 SUBURBAN CABLE COMPANY
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980386 CONTRACTING ENTERPRISES INC.
ALLEGED VIOLATION OF VA CODE § 56-265.18
PUE980387 COMMONWEALTH EXCAVATING
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980388 FITZGERALD'S ASPHALT & SEALING CO., INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980389 GREEN ACRES LLC
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980390 JONES CONSTRUCTION OF BLACKSBURG INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980391 KINGERY BROTHERS EXCAVATING CO. INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980392 LEE'S LANDSCAPING & TREE SERVICE
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980393 LEWIS CONSTRUCTION INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 C
PUE980394 MARSHALL CONCRETE PRODUCTS OF CHRISTIANSBURG INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 C
PUE980395 MENDON PIPELINE INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 C
PUE980396 MOORE'S ELECTRICAL & MECHANICAL CONSTRUCTION INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980397 R . L. PRICE CONSTRUCTION CO. INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980398 R. L. SHORT JR. CONTRACTING
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980399 ROANOKE GAS COMPANY
ALLEGED VIOLATION OF VA CODE § 56-265.19 A
PUE980400 ROBERT WHITE CONSTRUCTION CO. INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980401 SALEM PAVING CORP.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A

PUE980402 SPECIAL PLUMBING
ALLEGED VIOLATION OF VA CODE § 56-265.17 C
PUE980403 TLB CONSTRUCTION
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980404 SNYDER COMPANY INC., THE
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980405 TOWN & COUNTRY PLUMBING/REMODELING
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980406 PAUL J. VIGNOLA ELECTRIC CO. INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980407 DRIGGS CORPORATION, THE
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980408 STACKHOUSE INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980409 T.K. VANN SERVICES INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980410 US&H COMPANY
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980411 UTILX CORPORATION
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980412 VIRGINIA STEEL STUD & TRUSS INNOVATIVE ARCHITECTUAL MANAGEMENT CORP.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980413 WAYJO INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 C
PUE980414 WESTERN BRANCH CONCRETE INC.
ALLEGED VIOLATION OF VA CODE § 56-256.17 A
PUE980415 WOLF CONTRACTORS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980416 ATLANTIC BUILDERS LTD
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980417 BAL COM INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980418 CLIFTON-STEWART DEVELOPERS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980419 BENNETT'S NURSERY INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980420 BLYTHE COMMUNICATIONS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980421 ALBEMARLE CONCRETE
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980422 L.B. MASON & SON INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980423 CONCRETE WORKS LTD
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980424 M/I HOMES
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980425 COLONIAL CONCRETE
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980426 BYERS ENGINEERING COMPANY
ALLEGED VIOLATION OF VA CODE §§ 56-265.14, ET AL.
PUE980427 WOODLAWN CONSTRUCTION CO.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980428 WASHINGTON GAS LIGHT CO.
ALLEGED VIOLATION OF VA CODE § 56-265.19 A
PUE980429 VIRGINIA NATURAL GAS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.19 A
PUE980430 GRANJA CONTRACTING INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980431 FRED W. BORDEN INCORPORATED
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980432 ATLANTIC FOUNDATIONS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980433 COMCAST CABLEVISION OF CHESTERFIELD COUNTY INC.
ALLEGED VIOLATION OF VA CODE § 56-265.19 A
PUE980434 CROWE'S SEPTIC INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980435 HENDERSON GENERAL CONTRACTORS
ALLEGED VIOLATION OF VA CODE § 56-265.17 C
PUE980436 J. H. MARTIN & SONS CONTRACTORS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A

PUE980437 LEO CONSTRUCTION COMPANY
ALLEGED VIOLATION OF VA CODE § 56-265.17 C
PUE980438 MEDIA GENERAL CABLE OF FAIRFAX INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 B
PUE980439 SENECA EXCAVATION & LANDSCAPING INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980440 SHIVELY ELECTRICAL CO. INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980441 BEN LEWIS PLUMBING INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980442 MARTIN AND GASS INCORPORATED
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980443 VIRGINIA ELECTRIC & POWER CO.
ALLEGED VIOLATION OF VA CODE § 56-265.17 C
PUE980444 MID-ATLANTIC PIPELINERS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980445 ROCKINGHAM CONSTRUCTION CO. INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980446 MOORE CONTRACTING
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980447 COLUMBIA GAS OF VIRGINIA INC.
ALLEGED VIOLATION OF VA CODE § 56-265.19 A
PUE980448 NORTHERN PIPELINE CONSTRUCTION CO.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980449 OSP CONSULTANTS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980450 PHOENIX DEVELOPMENT CORP.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980451 PRATA CONSTRUCTION
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980452 PRINCE WILLIAM PIPELINE CORP.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980453 S AND N COMMUNICATIONS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24.A
PUE980454 T & D ASSOCIATES
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980455 WATERFRONT MARINE CONSTRUCTION INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980457 AMVEST OIL & GAS INC.
TO FURNISH GAS SERVICE TO WISE HOST INC. PURSUANT TO VA CODE § 56-265.4:5
PUE980458 NOCUTS INC.
ALLEGED VIOLATION OF VA CODE §§ 56-265.19 A, ET AL.
PUE980459 WOODBINE CONSTRUCTION CO. INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17.A
PUE980460 LIST EXCAVATING INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24.A
PUE980461 GM ALL PURPOSE CONSTRUCTION
ALLEGED VIOLATION OF VA CODE § 56-265.17.A
PUE980462 VIRGINIA ELECTRIC & POWER CO.
FOR APPROVAL OF EXPENDITURES FOR NEW GAS GENERATION FACILITIES AND FOR A CERTIFICATE
PUE980463 VIRGINIA ELECTRIC & POWER CO.
FOR AUTHORITY TO REVISE COGENERATION TARIFF
PUE980465 MEDIA GENERAL CABLE OF FAIRFAX
ALLEGED VIOLATION OF VA CODE §§ 56-265.17 B, ET AL.
PUE980466 BOYER LANDSCAPES INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980467 DIGGS PEST CONTROL INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980468 LONG CONSTRUCTION GROUP INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980469 DAVIS H. ELLIOTT COMPANY INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980470 AMERICAN TRENCHING CO. INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980471 BROWNING CONSTRUCTION CO.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980472 ERNEST G. VALIANOS CONTRACTOR INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980473 EXCALIBUR CABLE COMMUNICATIONS LTD.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A

PUE980474	HOWARD BROTHERS CONTRACTOR INC.
	ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980475	IVY H. SMITH COMPANY
	ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980476	JAMES M. SYKES CONSTRUCTION
	ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980477	KEVCOR CONTRACTING CORP.
	ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980478	PRECON CONSTRUCTION COMPANY
	ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980479	PREMIER COMMUNICATIONS
	ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980480	SANITARY ENGINEERING CO. INC.
	ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980481	SUBURBAN CABLE COMPANY
	ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980482	TELE-COMMUNICATIONS CORP. OF VIRGINIA
	ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980483	A&M CONCRETE CORP.
	ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980484	ALFREDO'S CONSTRUCTION CO. INC.
	ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980485	ATLAS PLUMBING & MECHANICAL INC.
	ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980486	CONECTIV SERVICES INC.
	ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980487	FORT MYER CONSTRUCTION CORP.
	ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980488	GT ROBINSON CONSTRUCTION
	ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980489	GABES DIESEL SERVICES INC.
	ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980490	ROBINSON, GLEN
	ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980491	JSI PAVING
	ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980492	LOUDOUN LAND WORKS LTD
	ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980493	MASTERS PLUMBING INC.
	ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980494	NOAH ELECTRIC INC.
	ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980495	R. W. MURRAY
	ALLEGED VIOLATION OF VA CODE § 56-265.17 C
PUE980496	SIMOES CONCRETE INC.
	ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980497	SITE WORKS INC.
	ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980498	WILLIAM L. BERRY HOMES OF VIRGINIA INC.
	ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980499	WINKELMAN & HOOD INC.
	ALLEGED VIOLATION OF VA CODE § 56-265.17 B
PUE980500	PONCE MASONRY
	ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980501	JOHNSON EXCAVATING
	ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980502	CABLEVISION OF LOUDOUN
	ALLEGED VIOLATION OF VA CODE § 56-265.17 B
PUE980503	D&L EXCAVATING INC.
	ALLEGED VIOLATION OF VA CODE § 56-265.17 B
PUE980504	ER NEFF EXCAVATING INC.
	ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980505	MARLIN ELECTRIC INC.
	ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980506	AIRCO SERVIZES
	ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980507	BLW ASSOCIATES INC.
	ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980508	BRANCH HIGHWAYS INC.
	ALLEGED VIOLATION OF VA CODE § 56-265.17 C

PUE980509 CAMPBELL CONSTRUCTION & DEVELOPMENT CO. INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 C
PUE980510 CASH EXCAVATING
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980511 FRALIN & WALDREN INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980512 JP TURNER & BROTHERS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 B
PUE980513 ROANOKE GAS COMPANY
ALLEGED VIOLATION OF VA CODE § 56-265.19 A
PUE980514 STANLEY R. CUPP INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980515 A&J DEVELOPMENT & EXCAVATION INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980516 SOUTHWESTERN VIRGINIA GAS CO.
FOR AUTHORITY TO EXTEND ANNUAL INFORMATIONAL FILING FOR 60 DAYS
PUE980517 ALL STAR SERVICES
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980518 ATLANTIC FOUNDATIONS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980519 CHECKMATE COMMUNICATIONS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 C
PUE980520 CHESTNUT HILL EXCAVATING
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980521 COMMONWEALTH CONSTRUCTORS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980522 CORMAN CONSTRUCTION INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980523 DAWSON CONSTRUCTION COMPANY
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980524 FRED W. BORDEN INCORPORATED
ALLEGED VIOLATION OF VA CODE § 56-265.17 B
PUE980525 GTE SOUTH INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980526 KEYSTONE BUILDERS RESOURCE GROUP INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980527 MID-ATLANTIC PIPELINERS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980528 POSSIE B. CHENAULT INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980529 READY ENTERPRISES INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980530 ROCKBRIDGE LANDSCAPING
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980531 T WALKER EXCAVATING
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980532 TRIPLE R PLUMBING
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980533 UHLER CONSTRUCTION
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980534 A&W CONTRACTORS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980535 CARCONE, WILLIAM
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980536 WASHINGTON GAS LIGHT CO.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980537 COLUMBIA GAS OF VIRGINIA INC.
ALLEGED VIOLATION OF VA CODE § 56-265.19 A
PUE980538 VIRGINIA NATURAL GAS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.19 A
PUE980539 HENKELS & MCCOY INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980540 THOMAS BROTHERS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980541 MARTIN & GASS INCORPORATED
ALLEGED VIOLATION OF VA CODE § 56-265.17 C
PUE980543 DRIGGS CORPORATION, THE
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980544 TOANO CONTRACTORS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A

PUE980545 PHOENIX DEVELOPMENT CORP.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980546 BRAGA CONSTRUCTION CO. INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980547 ROCKINGHAM CONSTRUCTION CO. INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980548 VIRGINIA ELECTRIC & POWER CO.
ALLEGED VIOLATION OF VA CODE §§ 56-265.24 A, ET AL.
PUE980549 STACKHOUSE INC.
ALLEGED VIOLATION OF VA CODE §§ 56-265.17 C, ET AL.
PUE980550 BLUE RIDGE PLUMBING
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980551 NEWPORT CONCRETE INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980552 WILLIAM A. HAZEL INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 B
PUE980553 ATLANTIC CABLE & TRENCH INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980554 EARTHWORM INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980555 BYERS ENGINEERING COMPANY
ALLEGED VIOLATION OF VA CODE § 56-265.19 A
PUE980556 NOCUTS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.19 A
PUE980557 PRINCE WILLIAM CONSTRUCTION CO.
ALLEGED VIOLATION OF VA CODE § 56-265.17 C
PUE980558 DOZIER ENTERPRISES INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 C
PUE980559 HOPKINS & WAYSON INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980560 MID EASTERN BUILDERS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980561 AMERICAN LAWN & LANDSCAPING
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980562 SERVICE ELECTRIC CORP. OF VIRGINIA
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980564 CRAFTSMAN SERVICE COMPANY
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980565 FOLEY PLUMBING INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980566 G. T. ROBINSON CONSTRUCTION
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980567 HARRY B. KING SEWER & WATER
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980568 KWONG WONG CONSTRUCTION CO.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980569 NORTHERN VIRGINIA DRILLING INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980570 NORTHERN VIRGINIA ELECTRIC COOPERATIVE
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980571 PR CONSTRUCTION & DEVELOPMENT CO.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980572 R. L. RIDER & CO.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980573 VALLEY DRILLING CORPORATION
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980574 WAYNE DAVIS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980575 A & A GROUP INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980576 D D WOOD COMMUNICATIONS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980577 FRED W. BORDEN INCORPORATED
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980578 NETWORK CONSTRUCTION
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980579 ROCKINGHAM CONSTRUCTION CO.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980580 ALL STATE PAVING
ALLEGED VIOLATION OF VA CODE § 56-265.17 A

PUE980581	E L F CONTRACTORS INC. ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980582	H & S CONSTRUCTION COMPANY ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980583	JOE MEYERS HOME IMPROVEMENT ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980584	JONES BROS INC. ALLEGED VIOLATION OF VA CODE § 56-265.17 C
PUE980585	J R ENTERPRISE ALLEGED VIOLATION OF VA CODE § 56-265.17 C
PUE980586	STACKHOUSE INC. ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980587	ATKINS EXCAVATING INC. ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980588	E. W. MULLER CORPORATION ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980589	MARJON CONTRACTING CO. INC. ALLEGED VIOLATION OF VA CODE § 56-265.17 C
PUE980590	MASTEC INC. ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980591	PERRY ENGINEERING CO. INC. ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980592	POWERS PAVING INC. ALLEGED VIOLATION OF VA CODE § 56-265.17 C
PUE980593	R & S PAVING AND EXCAVATING ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980594	REMODELING BY JQ ALLEGED VIOLATION OF VA CODE §56-265.17 A
PUE980595	W. C. SPRATT INCORPORATED ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980596	BASIC CONSTRUCTION COMPANY ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980597	LE BLIZZARD GRADING INC. ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980598	MRM FENCE & DECKS ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980599	P S I ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980600	UNDERGROUND SYSTEMS GROUP LC ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980601	W. R. HALL INC. ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980602	WINNEY, ROBERT A. D/B/A WATERWORKS CO. OF FRANKLIN COUNTY FOR RULE TO SHOW CAUSE
PUE980603	BELL ATLANTIC-VIRGINIA, INC. ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980604	LEO CONSTRUCTION COMPANY ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980605	VIRGINIA ELECTRIC & POWER CO. ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980606	VIRGINIA NATURAL GAS INC. ALLEGED VIOLATION OF VA CODE § 56-265.19 A
PUE980607	BEN LEWIS PLUMBING INC. ALLEGED VIOLATION OF VA CODE §§ 56-265.24 A, ET AL.
PUE980608	HENRY S. BRANSCOME INC. ALLEGED VIOLATION OF VA CODE § 56-265.17 C
PUE980609	GEORGE'S EXCAVATING INC. ALLEGED VIOLATION OF VA CODE § 56-265.17 B
PUE980610	CAPCO CONSTRUCTION CORP. ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980611	WASTETRON INC. ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980612	COLUMBIA GAS OF VIRGINIA INC. ALLEGED VIOLATION OF VA CODE § 56-265.19 A
PUE980613	ATLANTIC CABLE & TRENCH INC. ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980614	WASHINGTON GAS LIGHT COMPANY ALLEGED VIOLATION OF VA CODE § 56-265.19 A
PUE980615	BYERS ENGINEERING COMPANY ALLEGED VIOLATION OF VA CODE § 56-265.19 A

PUE980616 SIMONS HAULING CO. INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A AND 24 D
PUE980617 NOCUTS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.19 A
PUE980618 ATLAS PLUMBING & MECHANICAL INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 C
PUE980619 HENDERSON CONSTRUCTION CO. INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980620 JONES PLUMBING
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980621 NOCUTS INC.
ALLEGED VIOLATION OF VA CODE §§ 56-265.19 A, ET AL.
PUE980622 SHENANDOAH GAS COMPANY
FOR AUTHORITY TO EXTEND DATE TO COMPLETE REFUNDS IN CASE NO. PUE970616
PUE980623 STACKHOUSE INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980624 ONE CALL CONCEPTS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.22 A
PUE980625 C & P ISLE OF WIGHT WATER CO.
FOR CERTIFICATE PURSUANT TO VA CODE §§ 56-265.2 AND 56-265.3 D
PUE980626 ROANOKE GAS COMPANY
FOR GENERAL RATE INCREASE
PUE980627 VIRGINIA GAS PIPELINE CO.
ANNUAL INFORMATIONAL FILING
PUE980628 AUBON WATER COMPANY
ALLEGED VIOLATION OF VA CODE § 56-265.6
PUE980631 WASHINGTON GAS LIGHT COMPANY
FOR AMENDMENT TO PILOT DELIVERY SERVICE PROGRAM
PUE980632 A & J DEVELOPMENT & EXCAVATION INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980633 C. L. GARBEE CONSTRUCTION
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980634 DOZIER ENTERPRISES INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 C
PUE980635 EARTH CRAFTERS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980636 ENGLISH CONSTRUCTION CO. INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980637 F. L. SHOWALTER INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980638 HERCULES FENCE COMPANY
ALLEGED VIOLATION OF VA CODE § 56-265.18
PUE980639 J. B. WINE & SON INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980640 LAWHORNE BROTHERS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980641 LOTT EXCAVATING
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980642 VARANKO PLUMING & HEATING
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980643 PHOENIX DEVELOPMENT CORP.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980644 ASSOCIATED BUILDERS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980645 BURTON & ROBINSON INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980646 COLLEY PLUMBING INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980647 D & D LANDSCAPE MAINTENANCE & LABOR SERVICES
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980648 D & L EXCAVATING INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980649 DAKA CONSTRUCTION
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980650 GERMANTOWN ELETRICAL CONTRACTING INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980651 J & P FENCE CO. INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980652 JOHN C. FLOOD OF VIRGINIA INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A

PUE980653 LISPORT EXCAVATING INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980654 MILLENNIUM ELECTRIC INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980655 MILLER INDUSTRIES
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980656 NASTOS CONSTRUCTION CO. INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980657 R. D. MOODY & ASSOCIATES INC. OF VIRGINIA
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980658 BRANCH HIGHWAYS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980659 HENRY S. BRANSCOME INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980660 A. P. BROWN CONCRETE INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980661 B & H CONCRETE CONSTRUCTION CORP.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980662 COMMERCIAL SCAPES INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980663 D & D CONSTRUCTION COMPANY
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980664 EAGLE ELECTRIC CORP.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980665 HENDERSON GENERAL CONTRACTORS
ALLEGED VIOLATION OF VA CODE § 56-265.17 B
PUE980666 J HOY INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980667 KAUFFMAN GROUP
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980668 LS&S CONSTRUCTION SERVICES
ALLEGED VIOLATION OF VA CODE § 56-265.17 B
PUE980669 N & P CONSTRUCTION CO. INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980670 NORTH LANDING ELECTRIC CO. INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980671 BARBHAM PETROLEUM CO.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980672 DALLAS CONSTRUCTION INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980673 FRANKS HOMES IMPROVEMENT
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980674 GROUND EFFECTS INCORPORATED
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980675 MARTINDALE CONTRACTOR
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980676 RICKY COOK HAULING & EXCAVATING INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 B
PUE980677 RUSSELL SHORT INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 C
PUE980678 S. R. DRAPER PAVING COMPANY
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980679 VAUGHN FRAMING & TRIM OF VIRGINIA
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980680 ATLANTIC CABLE & TRENCH INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 B
PUE980681 BEAMON ELECTRIC
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980682 DYNAELECTRIC COMPANY
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980683 H&L MECHANICAL INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980684 HI & SONS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980685 HILDENBRANDT CABLE COMPANY
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980686 LE BLIZZARD GRADING INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 B
PUE980687 MANOJ K SHAH INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A

PUE980688 MID EASTERN BUILDERS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980689 S. B. BALLARD INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980690 WILMIK INCORPORATED
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980691 WOMACK CONTRACTORS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980692 ALCATEL
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980693 ATLAS PLUMBING & MECHANICAL INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 C
PUE980694 BEN LEWIS PLUMBING INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980695 C&P EXCAVATORS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980696 CONCRETE SCAPING INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980697 DUDLEY'S PLUMBING
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980698 EE REED CONSTRUCTION COMPANY
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980699 FOLEY PLUMBING INC.
ALLEGED VIOLATION DOF VA CODE § 56-265.17 C
PUE980700 IDEAL CONSTRUCTION SERVICES INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980701 INTER EARTH UNDERGROUND CONSTRUCTION INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980702 JADE DEVELOPMENT INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980703 A JUDD ELECTRICAL CONSTRUCTION CO., INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980704 JUDY CONSTRUCTION
ALLEGED VIOLATION OF VA CODE § 56-265.17 C
PUE980705 POTOMAC EDISON COMPANY INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 C
PUE980706 PRATA CONSTRUCTION
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980707 PRINCE WILLIAM PIPELINE CORP.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980708 MASTEC INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980709 VIRGINIA NATURAL GAS INC.
ALLEGED VIOLATION OF VA CODE §§ 56-265.19 A, ET AL.
PUE980710 UNITED CITIES GAS COMPANY
ALLEGED VIOLATION OF VA CODE §§ 56-265.19 A, ET AL.
PUE980711 FRED W. BORDEN INCORPORATED
ALLEGED VIOLATION OF VA CODE § 56-265.17 B
PUE980712 D&F CONSTRUCTION INC.
ALLEGED VIOLATION OF VA CODE §§ 56-265.17 A, ET AL.
PUE980713 GSI CORPORATION
ALLEGED VIOLATION OF VA CODE §§ 56-265.24 A, ET AL.
PUE980714 GERALD L. DAVIS & ASSOCIATES INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980715 VIRGINIA ELECTRIC & POWER CO.
ALLEGED VIOLATION OF VA CODE §§ 56-265.17 C, ET AL.
PUE980716 ARBOR LANDSCAPERS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980717 BYERS LOCATE SERVICES LLC
ALLEGED VIOLATION OF VA CODE §§ 56-265.19 A, ET AL.
PUE980718 COLUMBIA GAS OF VIRGINIA INC.
ALLEGED VIOLATION OF VA CODE §§ 56-265.19 A, ET AL.
PUE980719 WASHINGTON GAS LIGHT COMPANY
ALLEGED VIOLATION OF VA CODE §§ 56-265.19 A, ET AL.
PUE980720 WESTBURG CONSTRUCTION INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980721 MARUMSCO EQUIPMENT COMPANY
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980722 S STEPHENS CABLE CONSTRUCTION INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A

PUE980723 PHILLIP C. CLARKE ELECTRICAL CONTRACTOR, INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980724 NOCUTS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.19 A
PUE980725 STONE MOUNTAIN ENERGY
NOTIFICATION OF INTENT TO FURNISH NATURAL GAS SERVICE
PUE980726 GENERAL EXCAVATION INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980727 VIRGINIA ELECTRIC & POWER CO.
TO REVISE FUEL FACTOR PURSUANT TO VA CODE § 56-249.6
PUE980728 SF CONSTRUCTION INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980729 RIFLEX SITE WORKS
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980730 ROCKINGHAM CONSTRUCTION CO. INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980731 S & N COMMUNICATIONS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980732 STAR CONCRETE FOUNDATIONS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980734 E. C. PACE COMPANY INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980736 VIRGINIA ELECTRIC & POWER CO.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980737 BLUE SPRINGS INC.
FOR CERTIFICATE TO OPERATE ROSE HILL WATER SYSTEM
PUE980738 BELL ATLANTIC-VIRGINIA, INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980739 BOONE ELECTRIC CO.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980740 BRANCH HIGHWAYS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980741 DOUBLE K UNDERGROUND INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 B
PUE980742 GOUGE TURF & IRRIGATION
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980743 HAMMOND-MITCHELL INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980744 HAYMES BROTHERS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980745 MORGAN & MORGAN CONSTRUCTION
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980746 REED EXCAVATING CONTRACTORS
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980747 TAYLOE & CO. BUILDERS
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980748 STEWART/PERRY CO. INC., THE
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980749 WC FLINCHUM & SONS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980750 WEDDLE PLUMBING & HEATING CO.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980751 S. J. CONNER & SONS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 C
PUE980752 BUSTER HENDRICK CONSTRUCTION
ALLEGED VIOLATION OF VA CODE § 56-265.17 B
PUE980753 A&W CONTRACTING CORPORATION
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980754 A. M. W. OF TIDEWATER INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980755 B&P CUSTOM PLUMBING & HEATING CORP.
ALLEGED VIOLATION OF VA CODE § 56-265.17 C
PUE980756 BOZZUTO CONSTRUCTION COMPANY
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980757 JOSEPH KENT EXCAVATING INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 B
PUE980758 OLD TOWN EXCAVATING
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980759 PARTNERS EXCAVATING CO.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A

PUE980760 RD FOSTER HAULING INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980761 SOUTHSIDE TURF & IRRIGATION
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980762 TW EDWARDS CONSTRUCTION
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980763 A-1 PLUMBING & HEATING CO.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980764 BASIC CONSTRUCTION COMPANY
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE980765 BEACH CONCRETE
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980766 D&E CABLE INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980767 PREMIER COMMUNICATIONS
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE980768 SUBURBAN CABLE COMPANY
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PUE980775 PHU CHUNG GENERAL CONTRACTOR
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PUE980787 JEM FENCE COMPANY INC.
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PUE980897 SERVICE ELECTRIC CORP. OF VIRGINIA
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PUF980002 SOUTHSIDE ELECTRIC COOPERATIVE
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PUF980003 GTE SERVICE CORPORATION
FOR AUTHORITY TO INCUR SHORT-TERM INDEBTEDNESS
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PUF980007 ATMOS ENERGY CORPORATION
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PUF980008 MECKLENBURG ELECTRIC COOPERATIVE
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PUF980009 WASHINGTON GAS LIGHT CO.
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PUF980010 ROANOKE GAS COMPANY
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PUF980011 VIRGINIA ELECTRIC & POWER CO.
FOR AUTHORITY TO LEASE COMPUTER EQUIPMENT, BUSINESS MACHINES, ET AL.
PUF980012 ATMOS ENERGY CORPORATION
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PUF980013 VIRGINIA GAS PIPELINE COMPANY
FOR AUTHORITY TO INCUR INDEBTEDNESS
PUF980014 SHENANDOAH TELEPHONE COMPANY
FOR AUTHORITY TO BORROW FROM THE UNITED STATES GOVERNMENT
PUF980015 POTOMAC EDISON COMPANY, THE
FOR AUTHORITY TO ISSUE LONG-TERM DEBT
PUF980016 VIRGINIA POWER & ELECTRIC CO.
FOR AUTHORITY TO LEASE RAIL EQUIPMENT
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PUF980018 WASHINGTON GAS LIGHT AND SHENANDOAH GAS COMPANY
FOR AUTHORITY TO RECEIVE CASH ADVANCES
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PUF980020 WASHINGTON GAS LIGHT COMPANY
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PUF980021 VIRGINIA-AMERICAN WATER CO.
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PUF980025 TOLL ROAD INVESTORS PARTNERSHIP II LP
TO AMEND ITS CERTIFICATE OF AUTHORITY TO AUTHORIZE REFINANCING
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PUF980032 APPALACHIAN POWER COMPANY
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PUF980033 COLUMBIA GAS OF VIRGINIA INC.
FOR AUTHORITY TO ENTER INTO INTERCOMPANY FINANCING FOR 1999

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FOR OFFER OF COMPROMISE AND SETTLEMENT

SEC980002 ERHARDT, MIKE
FOR OFFER OF COMPROMISE AND SETTLEMENT

SEC980003 MESA ENERGY INC.
FOR OFFER OF COMPROMISE AND SETTLEMENT

SEC980004 CORNERSTONE FUND
FOR OFFER OF COMPROMISE AND SETTLEMENT

SEC980005 FERGUSON, JOHN P.
FOR OFFER OF COMPROMISE AND SETTLEMENT

SEC980006 PRESBYTERIAN INVESTOR FUND INC.
FOR ORDER OF EXEMPTION PURSUANT TO VA CODE § 13.1-514.1 B

SEC980007 EX PARTE: RULES
PROMULGATION OF RULES AND FORMS PURSUANT TO VA CODE § 13.1-523

SEC980008 KEMPSVILLE BAPTIST CHURCH OF VIRGINIA BEACH, VIRGINIA
FOR ORDER OF EXEMPTION PURSUANT TO VA CODE § 13.1-514.1 B

SEC980009 LEXINGTON CAPITAL PARTNERS
FOR OFFER OF COMPROMISE AND SETTLEMENT

SEC980010 ELLISON INVESTMENT ADVISORS
FOR OFFER OF COMPROMISE AND SETTLEMENT

SEC980011 DOWNEY, DIANA M.
ALLEGED VIOLATION OF VA CODE § 13.1-521

SEC980012 CHURCH DEVELOPMENT FUND INC.
FOR ORDER OF EXEMPTION PURSUANT TO VA CODE § 13.1-514.1 B

SEC980013 CRF LODGING COMPANY LP
FOR OFFICIAL INTERPRETATION PURSUANT TO VA CODE § 13.1-525

SEC980015 AG EDWARDS & SONS INC.
FOR OFFER OF COMPROMISE AND SETTLEMENT

SEC980016 EX PARTE: RULES
PROMULGATION OF RULES AND FORMS PURSUANT TO VA CODE § 13.1-523

SEC980017 FIRST BAPTIST CHURCH OF HILLSVILLE
FOR ORDER OF EXEMPTION PURSUANT TO VA CODE § 13.1-514.1 B

SEC980018 NIRENBERG, BRAD MICHAEL
FOR OFFER OF COMPROMISE AND SETTLEMENT

SEC980019 LARKIN, STEVEN HOWARD
FOR OFFER OF COMPROMISE AND SETTLEMENT

SEC980020 EX PARTE: RULES
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SEC980021 EX PARTE: RULES
AMENDMENT AND ADOPTION OF RULES PURSUANT TO VA CODE § 13.1-523 (SECURITIES ACT)

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ALLEGED VIOLATION OF VA CODE §§ 13.1-504.A, ET AL.

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SEC980025 BRAINARD, RICHARD P.
ALLEGED VIOLATION OF VA CODE §§ 13.1-502, ET AL.

SEC980026 GARSON, MICHAEL D.
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SEC980028 ROYAL ALLIANCE ASSOCIATES INC.
FOR OFFER OF COMPROMISE AND SETTLEMENT

SEC980029 FONKOZE USA INC.
FOR ORDER OF EXEMPTION PURSUANT TO VA CODE § 13.1-514.1 B

SEC980030 D L CROMWELL INVESTMENTS INC.
FOR OFFER OF COMPROMISE AND SETTLEMENT

SEC980031 BEIRNE, LLOYD SYLVESTER MARTIN
FOR OFFER OF COMPROMISE AND SETTLEMENT

SEC980032 DAVIDSON, DAVID STEWART
FOR OFFER OF COMPROMISE AND SETTLEMENT

SEC980033 WOODBURY, FRED
ALLEGED VIOLATION OF VA CODE §§ 12.1-33, ET AL.

SEC980034 HARDY, NORMA
ALLEGED VIOLATION OF VA CODE §§ 12.1-33, ET AL.

SEC980035 HARDY, DAVID
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SEC980036 WELCO SECURITIES INC.
FOR OFFER OF COMPROMISE AND SETTLEMENT
SEC980037 TATTOR, NATHAN
FOR OFFER OF COMPROMISE AND SETTLEMENT
SEC980038 INVESTMENT MANAGEMENT & RESEARCH INC.
FOR OFFER OF COMPROMISE AND SETTLEMENT
SEC980039 SHAPIRO, KENNETH S.
FOR OFFER OF COMPROMISE AND SETTLEMENT
SEC980040 WALODE, ALAN
FOR OFFER OF COMPROMISE AND SETTLEMENT
SEC980041 BERNSTEIN, HOWARD SCOTT
ALLEGED VIOLATION OF VA CODE §§ 13.1-504, ET AL.
SEC980042 COLIN WINTHROP & CO. INC.
FOR OFFER OF COMPROMISE AND SETTLEMENT
SEC980043 RILEYVILLE BAPTIST CHURCH
FOR ORDER OF EXEMPTION PURUSUANT TO VA CODE § 13.1-514.1 B
SEC980044 PARAMOUNT COUMMUNICATION, ET AL.
ALLEGED VIOLATION OF VA CODE §§ 13.1-502, ET AL.
SEC980045 VALPEY, FREDERICK SCOTT
FOR OFFER OF COMPROMISE AND SETTLEMENT
SEC980046 S & Y CRAB INC., PETITIONER V. GIL YEON MAO, RESPONDENT
FOR CANCELLATION OF SERVICE MARK REGISTRATION
SEC980047 COLUMBIA UNION REVOLVING FUND
FOR ORDER OF EXEMPTION PURSUANT TO VA CODE § 13.1-514.1 B
SEC980048 MISSION INVESTMENT FUND
FOR ORDER OF EXEMPTION PURSUANT TO VA CODE § 13.1-514.1 B
SEC980049 LOVE, STEVEN EUGENE
FOR OFFER OF COMPROMISE AND SETTLEMENT
SEC980050 AON SECURITIES CORPORATION
FOR OFFICIAL INTERPRETATION PURSUANT TO VA CODE § 13.1-525
SEC980051 CATHOLIC DIOCESE OF RICHMOND
FOR CERTIFICATE OF EXEMPTION PURSUANT TO VA CODE § 13.1-514.1 B
SEC980052 ALANAR INCORPORATED
FOR OFFER OF COMPROMISE AND SETTLEMENT
SEC980053 ZION APOSTOLIC CHRISTIAN MEMORIAL CHURCH
FOR OFFER OF COMPROMISE AND SETTLEMENT
SEC980054 HUBBARD, GEORGE
FOR OFFER OF COMPROMISE AND SETTLEMENT
SEC980055 GRIMES, LAWRENCE EDWIN
FOR OFFER OF COMPROMISE AND SETTLEMENT
SEC980056 CECIL WALKE & CO. INC.
FOR OFFER OF COMPROMISE AND SETTLEMENT
SEC980057 VEITH, ROBERT JOSEPH D/B/A VEITH AND COMPANY
FOR OFFER OF COMPROMISE AND SETTLEMENT
SEC980058 WILLIS, SR. LEVI E.
ALLEGED VIOLATION OF VA CODE § 13.1-518
SEC980059 HOST MARRIOTT L. P.
FOR OFFICIAL INTERPRETATION PURSUANT TO VA CODE § 13.1-525
SEC980060 BOARD OF CHURCH EXTENSION & HOME MISSIONS OF THE CHURCH OF GOD INC.
FOR ORDER OF EXEMPTION PURSUANT TO VA CODE § 13.1-514.1 B
SEC980061 QUICKSILVER INTERNATIONAL
FOR OFFER OF COMPROMISE AND SETTLEMENT
SEC980062 KING, P. MCPHERSON
FOR OFFER OF COMPROMISE AND SETTLEMENT
SEC980063 ROGERS, GLYNN H.
FOR OFFER OF COMPROMISE AND SETTLEMENT
SEC980064 TABAKIN, STEPHEN L.
FOR OFFER OF COMPROMISE AND SETTLEMENT
SEC980065 WILBORN, WAYNE C.
FOR OFFER OF COPROMISE AND SETTLEMENT
SEC980066 L'APRINA INTERNATIONAL INC.
FOR OFFER OF COMPROMISE AND SETTLEMENT
SEC980067 VAN ENGELEN, H. WAYNE
FOR OFFER OF COMPROMISE AND SETTLEMENT
SEC980068 NATIONAL COVENANT PROPERTIES
FOR ORDER OF EXEMPTION PURSUANT TO VA CODE § 13.1-514.1 B
SEC980069 BRIGHT COVE SECURITIES INC.
FOR OFFER OF COMPROMISE AND SETTLEMENT
SEC980070 FRIENDS MEETING HOUSE FUND INC.
FOR ORDER OF EXEMPTION PURSUANT TO VA CODE § 13.1-514.1 B

SEC980071	LUTHERAN CHURCH EXTENSION FUND
	FOR ORDER OF EXEMPTION PURSUANT TO VA CODE § 13.1-514.1 B
SEC980072	KIMBALL & CROSS LLC
	FOR OFFER OF COMPROMISE AND SETTLEMENT
SEC980073	BLB FINANCIAL INC.
	FOR OFFER OF COMPROMISE AND SETTLEMENT
SEC980074	JOHANSON, BRIAN NOEL
	FOR OFFER OF COMPROMISE AND SETTLEMENT
SEC980075	SMITH, JR., CECIL E.
	FOR OFFER OF COMPROMISE AND SETTLEMENT
SEC980076	FOUCH, BRENT
	FOR OFFER OF COMPROMISE AND SETTLEMENT
SEC980077	NUNEZ, JARON
	FOR OFFER OF COMPROMISE AND SETTLEMENT
SEC980078	MONTANA HIGHER EDUCATION
	FOR ORDER OF EXEMPTION PURSUANT TO VA CODE § 13.1-514.1 B
SEC980079	BUCK, ELLSWORTH ALLEN
	FOR OFFER OF COMPROMISE AND SETTLEMENT
SEC980080	HIGHLAND FUNDING GROUPS INC.
	FOR OFFER OF COMPROMISE AND SETTLEMENT
SEC980081	EISNER SECURITIES INC.
	FOR OFFER OF COMPROMISE AND SETTLEMENT
SEC980082	RUSSO SECURITIES INC.
	FOR OFFER OF COMPROMISE AND SETTLEMENT
SEC980083	DH BLAIR & CO. INC.
	FOR OFFER OF COMPROMISE AND SETTLEMENT