Ninety-First Annual Report

of the

State Corporation Commission

of

Virginia

For the Year Ending December 31, 1993

GENERAL REPORT

Letter of Transmittal

COMMONWEALTH OF VIRGINIA

STATE CORPORATION COMMISSION

RICHMOND, VIRGINIA, *December 31, 1993*

To the Honorable L. Douglas Wilder

Governor of Virginia

Sir:

We have the honor to transmit herewith the ninety-first Annual Report of the State Corporation Commission for the year 1993.

Respectfully submitted,

Theodore V. Morrison, Jr., Chairman

Preston C. Shannon, Commissioner

Hullihen Williams Moore, Commissioner

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State Corporation Commission

COMMISSIONERS

*Preston C. Shannon	Chairman
**Theodore V. Morrison, Jr.	Chairman
Hullihen Williams Moore	Commissioner

William J. Bridge
Clerk of the Commission

*Term as Chairman expired January 31, 1993

**Elected Chairman effective for term of one year, February 1, 1993

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	
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	

From 1903 through 1993 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	22	Morrison	5	Moore	2

Preface

The Constitution of Virginia establishes the State Corporation Commission as a specific department of State government. The Commission is Virginia's principal regulatory body in the business and economic fields. It sets electric and intrastate telephone utility rates - as most citizens know - but its regulatory authority goes far beyond this.

Insurance, all State savings and lending institutions, rail and truck transportation, and investment securities are under Commission supervision. The Commission also assesses public service corporations for State and local taxation as well as charters all domestic and foreign corporations doing business in Virginia.

The primary reason for the Commission's existence is to administer the laws which promote fair and equitable treatment of the public by all businesses which are deemed by the State to provide a vital public service.

COMMONWEALTH OF VIRGINIA

STATE CORPORATION COMMISSION

Rules of Practice and Procedure

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PART 1
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 rearrangment.

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, th 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. BFI920219
MARCH 30, 1993

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

DISMISSAL ORDER

ON A FORMER DAY the Staff reported to the Commission that the Defendant has sought reinstatement of its mortgage broker license under an Order Settling Fines and Suspending License entered in this case on September 24, 1992; and that the Defendant's license was reinstated by the Commissioner of Financial Institutions effective March 24, 1993. Accordingly,

IT IS ORDERED that this case is dismissed.

CASE NO. BFI920515
FEBRUARY 1, 1993

APPLICATION OF
WINSTON G. SNIDER

Pursuant to Section 6.1-416.1 of the Code of Virginia

ORDER APPROVING THE ACQUISITION

ON A FORMER DAY came Winston G. Snider and filed his application, as required by Virginia Code Section 6.1-416.1, to acquire more than 25 percent of the shares of The Mortgage Broker, Inc. 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 6.1-416.1. Therefore, the Commission hereby approves the acquisition of more than 25 percent of the shares of The Mortgage Broker, Inc. by Winston G. Snider, and orders that this matter be placed among the ended cases.

CASE NOS. BFI920593 and BFI930050
FEBRUARY 23, 1993

APPLICATION OF
FIRST UNION CORPORATION
Charlotte, North Carolina

To acquire Dominion Bankshares Corporation and its banking subsidiaries, including Dominion Bank, National Association

ORDER OF APPROVAL

First Union Corporation, a regional bank holding company with a Virginia bank subsidiary, filed an application pursuant to Chapter 15 of Title 6.1 of the Code of Virginia to acquire Dominion Bankshares Corporation, a Virginia corporation that is a Virginia bank holding company, and its bank subsidiaries, including Dominion Bank, National Association, a Virginia bank.

First Union Corporation also gave notice, in accordance with Virginia Code Section 6.1-406, of its intention to acquire by virtue of the same transaction the several banks outside Virginia that are subsidiaries of Dominion Bankshares Corporation, namely: Dominion Bank of Maryland, National Association, Rockville, Maryland; Dominion Bank of Washington, National Association, Washington, D.C.; Dominion Bank of Middle Tennessee, Nashville, Tennessee; Citizens Union Bank, Rogersville, Tennessee; and Merchants and Planters Bank, Newport, Tennessee.

The application and the notice were referred to the Bureau of Financial Institutions for investigations. The Bureau published the notices of the applications in its Weekly Information Bulletins dated November 25, 1992 and January 29, 1993, and no objection was received.

Having considered the application, the notice, 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 First Union Corporation or Dominion Bankshares Corporation; (2) the applicant, and its officers and directors, are qualified by character, experience and financial responsibility to control and operate a Virginia bank or bank holding company; (3) the proposed acquisition will not be prejudicial to the interests of depositors, creditors, beneficiaries of fiduciary accounts or shareholders of First Union Corporation or Dominion Bankshares Corporation; and (4) the acquisition is in the public interest. And the Commission further finds that the test set forth in Virginia Code Section 6.1-399, Subsection B.1, is satisfied in the case of this application and that no condition, restriction, requirement, or other limitation of the kind referred to in Subsection B.2 of Section 6.1-399 is present in this case.

Therefore, the Commission approves the application and notice of First Union Corporation to acquire Dominion Bankshares Corporation and its banking subsidiaries. This matter shall be placed among the ended cases.

CASE NO. BFI920617
FEBRUARY 5, 1993

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

ORDER REVOKING LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions reported to the Commission that the Defendant, Summit Mortgage Company, is licensed to engage in business as a mortgage lender under Chapter 16 of Title 6.1 of the Virginia Code; that a bond filed by the Defendant pursuant to Virginia Code § 6.1-413 was canceled on November 25, 1992; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on December 10, 1992, that its license would be revoked on January 11, 1993, unless a new bond was filed by that date, and that a written request for hearing was required to be filed in the Office of the Clerk of the Commission on or before December 30, 1992; and that no new bond, or written request for hearing, was filed by the Defendant.

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

ORDERED that the license granted to Summit Mortgage Company to engage in business as a mortgage lender be, and it is hereby, revoked.

CASE NO. BFI930014
MAY 4, 1993

APPLICATION BY
SPECTRUM FINANCIAL CONSULTANTS, INC.

Pursuant to § 6.1-416.1 of the Code of Virginia

ORDER APPROVING THE ACQUISITION

ON A FORMER DAY came Spectrum Financial Consultants, Inc. and filed its application, as required by Virginia Code § 6.1-416.1, to acquire 100 percent of the shares of Astrum Funding Corp. 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 § 6.1-416.1. Therefore, the Commission hereby approves the acquisition of 100 percent of the shares of Astrum Funding Corp. by Spectrum Financial Consultants, Inc. and orders that this matter be placed among the ended cases.

CASE NO. BFI930022
OCTOBER 22, 1993

IN RE APPLICATION BY
C.U. MORTGAGE CENTRE, INC.

For a license to engage in business as a mortgage lender

DISMISSAL ORDER

ON A FORMER DAY the Applicant filed a Petition seeking review of a decision by the Commissioner of Financial Institutions denying the license applied for in this case. Upon the joint motion of counsel for the Applicant and counsel for the Staff,

IT IS ORDERED that this case is dismissed, and that the papers herein be filed among the ended cases.

CASE NO. BFI930024
MARCH 17, 1993

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

DISMISSAL ORDER

On a former day, the Staff reported to the Commission that the Defendant was licensed to engage in business as a mortgage lender under Chapter 16 of Title 6.1 of the Virginia Code; that the Defendant failed to maintain its bond in effect, as required by Virginia Code § 6.1-413; and that upon being notified by the Commissioner of Financial Institutions that he intended to recommend revocation of its license, the Defendant surrendered its license to the Bureau of Financial Institutions. Upon consideration whereof,

IT IS ORDERED that this case is dismissed as moot.

CASE NO. BFI930026
JANUARY 22, 1993

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

SETTLEMENT ORDER

ON A FORMER DAY the Staff reported to the Commission that the Defendant is licensed to engage in business as a mortgage lender and broker under Chapter 16 of Title 6.1 of the Virginia Code ("the Act"); that during the course of examinations of its business records, it was discovered that the Defendant has violated various provisions of the Act, regulations promulgated pursuant thereto, and other laws applicable to the conduct of its licensed business; that upon being informed that the Commissioner of Financial Institutions intended to recommend the imposition of fines, the Defendant, by its counsel, offered to settle this case by payment of a fine in the sum of twenty thousand dollars ($20,000), 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 Virginia Code § 12.1-15.

ACCORDINGLY, IT IS ORDERED:

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

(2) That this case is dismissed; and

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

CASE NOS. BFI930063 and BFI930064
APRIL 6, 1993

APPLICATIONS OF
CRESTAR FINANCIAL CORPORATION

To acquire CFS Financial Corporation and

CRESTAR BANK

To merge into itself Continental Federal Savings Bank

ORDER APPROVING THE ACQUISITION AND MERGER

Crestar Financial Corporation, a Virginia bank holding company, applied pursuant to Virginia Code § 6.1-194.40 to acquire CFS Financial Corporation, and Crestar Bank, a state bank, applied to merge into itself Continental Federal Savings Bank, a federal savings bank. The applications were referred to the Bureau of Financial Institutions for investigation.

Upon consideration of the applications and the report of investigation of the Bureau, the Commission is of the opinion and finds that the acquisition of CFS Financial Corporation by Crestar Financial Corporation and the merger of Continental Federal Savings Bank into Crestar Bank should be approved. In connection with the merger application, the Commission finds that the resulting entity will do business as a bank and that the applicant, Crestar Bank, meets, and that Crestar Bank as the resulting bank will meet, the standards established by Virginia Code § 6.1-13.

ACCORDINGLY, IT IS ORDERED that the applications of Crestar Financial Corporation to acquire CFS Financial Corporation and of Crestar Bank to merge into itself Continental Federal Savings Bank are approved. The resulting bank, which will continue to have its main office at 919 East Main Street, City of Richmond, Virginia, will operate as branches the following offices of Continental Federal Savings Bank: (1) 4259 Wilson Boulevard, Arlington County, Virginia; (2) 2050 Wilson Boulevard, Arlington County, Virginia; (3) 6711 Lee Highway, Arlington County, Virginia; (4) 4710 Lee Highway, Arlington County, Virginia; (5) 3108 Columbia Pike, Arlington County, Virginia; (6) 4020 University Drive, City of Fairfax, Virginia; (7) 4250 John Marr Drive, Annandale, Fairfax County, Virginia; (8) 10641 Lee Highway, City of Fairfax, Virginia (9) 603 West Broad Street, City of Falls Church, Virginia; (10) 2521 John Milton Drive, Herndon, Fairfax County, Virginia; (11) 13033 Lee Jackson Highway, Fairfax County, Virginia; (12) 5234 Rolling Road, Burke, Fairfax County, Virginia; (13) 6651-B Old Dominion Drive, McLean, Fairfax County, Virginia; (14) 8098 Rolling Road, Springfield, Fairfax County, Virginia; (15) 6300 Leesburg Pike, Fairfax County, Virginia; (16) 6720 Commerce Street, Springfield, Fairfax County, Virginia; (17) 8432 Old Keene Mill Road, Springfield, Fairfax County, Virginia; (18) 230 Maple Avenue, East, Vienna, Fairfax County, Virginia; (19) Village Center on Seven, 46910 Community Plaza, Sterling, Loudoun County, Virginia. 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 merger approved by this order shall be effective upon the issuance to Crestar Bank of a certificate of merger of Continental Federal Savings Bank into Crestar Bank.

CASE NO. BFI930078
APRIL 16, 1993

APPLICATION OF
HELEN E. DRAGAS

Pursuant to Section 6.1-416.1 of the Code of Virginia

ORDER APPROVING THE ACQUISITION

ON A FORMER DAY came Helen E. Dragas and filed her application, as required by Virginia Code Section 6.1-416.1, to acquire 100 percent of the shares of Dragas Mortgage Company. 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 6.1-416.1. Therefore, the Commission hereby approves the acquisition of 100 percent of the shares of Dragas Mortgage Company by Helen E. Dragas, and orders that this matter be placed among the ended cases.

CASE NO. BFI930173
MAY 28, 1993

APPLICATION OF
ANTHONY C. BIKOWSKI

Pursuant to Section 6.1-416.1 of the Code of Virginia

ORDER APPROVING THE ACQUISITION

ON A FORMER DAY came Anthony C. Bikowski and filed his application, as required by the Virginia Code Section 6.1-416.1, to acquire 50 percent of the shares of 1st Potomac Mortgage Corporation. 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 6.1-416.1. Therefore, the Commission hereby approves the acquisition of more than 25 percent of the shares of 1st Potomac Mortgage Corporation by Anthony C. Bikowski and orders that this matter be placed among the ended cases.

CASE NO. BFI930174
MAY 28, 1993

APPLICATION OF
MICHAEL B. ROCHE

Pursuant to Section 6.1-416.1 of the Code of Virginia

ORDER APPROVING THE ACQUISITION

ON A FORMER DAY came Michael B. Roche and filed his application, as required by the Virginia Code Section 6.1-416.1, to acquire 50 percent of the shares of 1st Potomac Mortgage Corporation. 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 6.1-416.1. Therefore, the Commission hereby approves the acquisition of more than 25 percent of the shares of 1st Potomac Mortgage Corporation by Michael B. Roche and orders that this matter be placed among the ended cases.

CASE NOS. BFI930189 and BFI930190
MAY 28, 1993

APPLICATION OF
FIRST UNION CORPORATION
Charlotte, North Carolina

To acquire First American Metro Corp. and its banking subsidiaries, including First American Bank of Virginia

ORDER OF APPROVAL

First Union Corporation, a regional bank holding company with a Virginia bank subsidiary, filed an application pursuant to Chapter 15 of Title 6.1 of the Code of Virginia to acquire First American Metro Corp., a Virginia corporation that is a Virginia bank holding company, and its bank subsidiaries, including First American Bank of Virginia, a Virginia bank.

First Union Corporation also gave notice, in accordance with Virginia Code Section 6.1-406, of its intention to acquire by virtue of the same transaction the banks outside of Virginia that are subsidiaries of the First American Metro Corp., namely: First American Bank of Maryland, Silver Springs, Maryland; and First American Bank, N.A., Washington, D.C. The application and the notice were referred to the Bureau of Financial Institutions for investigation. The Bureau published the notices of the applications in its Weekly Information Bulletin dated April 9, 1993, and no objection was received.

Having considered the application, the notice, 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 First Union Corporation or First American Metro Corp; (2) the applicant, and its officers and directors, are qualified by character, experience and financial responsibility to control and operate a Virginia bank or bank holding company; (3) the proposed acquisition will not be prejudicial to the interests of depositors, creditors, beneficiaries of fiduciary accounts or shareholders of First Union Corporation or First American Metro Corp.; and (4) the acquisition is in the public interest. And the Commission further finds that the test set forth in Virginia Code Section 6.1-339, Subsection B.1, is satisfied in the case of this application and that no condition, restriction, requirement, or other limitation of the kind referred to in Subsection B.2 of Section 6.1-399 is present in this case.

Therefore, the Commission hereby approves the application and notice of First Union Corporation to acquire First American Metro Corp. and its banking subsidiaries. This matter shall be placed among the ended cases.

CASE NO. BFI930220
MAY 4, 1993

APPLICATION BY
MORTGAGE BANK ACQUISITION CORP.

Pursuant to § 6.1-416.1 of the Code of Virginia

ORDER APPROVING THE ACQUISITION

ON A FORMER DAY came Mortgage Bank Acquisition Corp. and filed its application, as required by the Virginia Code § 6.1-416.1, to acquire 100 percent of the ownership of PaineWebber Mortgage Finance, Inc. 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 § 6.1-416.1. Therefore, the Commission hereby approves the acquisition of 100 percent of the ownership of PaineWebber Mortgage Finance, Inc. by Mortgage Bank Acquisition Corp. and orders that this matter be placed among the ended cases.

CASE NO. BFI930231
JUNE 15, 1993

APPLICATION OF
GREGORY L. KUNDINGER

Pursuant to Section 6.1-416.1 of the Code of Virginia

ORDER APPROVING THE ACQUISITION

ON A FORMER DAY came Gregory L. Kundinger and filed his application, as required by Virginia Code Section 6.1-416.1, to acquire 94 percent of the shares of HomeFirst Mortgage Corp. 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 6.1-416.1. Therefore, the Commission hereby approves the acquisition of more than 25 percent of the shares of HomeFirst Mortgage Corp. by Gregory L. Kundinger and orders that this matter be placed among the ended cases.

CASE NO. BFI930247
JUNE 29, 1993

APPLICATION OF
UNION BANCORP, INC.

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 Union Bancorp, Inc. and filed its application, as required by Virginia Code Section 6.1-383.1, to acquire 100 percent of the shares of Northern Neck Bankshares Corporation, Warsaw, 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.

Commissioner Moore took no part in the decision of this matter.

THEREFORE, the Commission hereby issues this notice of its intent not to disapprove the acquisition of 100 percent of the shares of Northern Neck Bankshares Corporation by Union Bancorp, Inc. and orders that this matter be placed among the ended cases.

CASE NO. BFI930252
JULY 8, 1993

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
ROBERT L. MARTIN,
Defendant

DISMISSAL ORDER

ON A FORMER DAY the Staff reported to the Commission that the Defendant is licensed to engage in business as a mortgage broker under Chapter 16 of Title 6.1 of the Virginia Code; that the Defendant failed to file an annual report by March 25, 1993, as required by Virginia Code § 6.1-418; that the Commissioner of Financial Institutions duly notified the Defendant on May 12, 1993, that he would recommend that the Defendant's license be revoked unless the annual report was filed by June 11, 1993; and that the Defendant filed the annual report on June 4, 1993. Accordingly,

IT IS ORDERED that this case is dismissed.

CASE NO. BFI930253
JULY 9, 1993

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

ORDER REVOKING LICENSE

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 Virginia Code; that the Defendant failed to file an annual report by March 25, 1993, as required by Virginia Code § 6.1-418; that the Commissioner of Financial Institutions duly notified the Defendant on May 12, 1993, that he would recommend that the Defendant's license be revoked unless the annual report was filed by June 11, 1993, and that a written request for hearing was required to be filed with the Clerk by May 28, 1993; and that no annual report, or written request for hearing, was filed by the Defendant. Accordingly,

IT IS ORDERED that the license issued to the Defendant to conduct business as a mortgage lender and broker is revoked.

CASE NO. BFI930254
JULY 9, 1993

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

ORDER REVOKING LICENSE

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 Virginia Code; that the Defendant failed to file an annual report by March 25, 1993, as required by Virginia Code § 6.1-418; that the Commissioner of Financial Institutions duly notified the Defendant on May 12, 1993, that he would recommend that the Defendant's license be revoked unless the annual report was filed by June 11, 1993, and that a written request for hearing was required to be filed with the Clerk by May 28, 1993; and that no annual report, or written request for hearing, was filed by the Defendant. Accordingly,

IT IS ORDERED that the license issued to the Defendant to conduct business as a mortgage broker is revoked.

CASE NO. BFI930255
JULY 8, 1993

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
MORTGAGE & FINANCIAL NETWORK LIMITED,
Defendant

DISMISSAL ORDER

ON A FORMER DAY the Staff reported to the Commission that the Defendant was licensed to engage in business as a mortgage broker under Chapter 16 of Title 6.1 of the Virginia Code; that the Defendant failed to file an annual report by March 25, 1993, as required by Virginia Code § 6.1-418; that the Commissioner of Financial Institutions duly notified the Defendant on May 12, 1993, that he would recommend that the Defendant's license be revoked unless the annual report was filed by June 11, 1993; and that the Defendant surrendered its license on May 24, 1993. Accordingly,

IT IS ORDERED that this case is dismissed.

CASE NO. BFI930268
JUNE 28, 1993

APPLICATION OF
THE NAVY YARD CREDIT UNION, INCORPORATED
and
PROCTER & GAMBLE EMPLOYEES CREDIT UNION, INCORPORATED

To merge under the charter and title of the former

ORDER APPROVING THE MERGER

ON A FORMER DAY came The Navy Yard Credit Union, Incorporated and Procter & Gamble Employees Credit Union Incorporated, and filed their proposal to merge, pursuant to the provisions of Section 6.1-225.27 of the Code of Virginia. It is proposed that The Navy Yard Credit Union, Incorporated be the surviving credit union.

The plan of merger was reviewed by the Commissioner of Financial Institutions.

On this day, the Commission having considered the application herein and the recommendation of the Commissioner of Financial Institutions, is of the opinion and finds: (1) that the common bond of interest specified in the bylaws of the credit union which is to survive the merger will include 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 laws and regulations.

THEREFORE, IT IS ORDERED that the merger of Procter & Gamble Employees Credit Union, Incorporated and the conduct of the credit union business by The Navy Yard Credit Union, Incorporated is approved, subject to the following conditions: (1) that the shares of the surviving credit union be insured by the National Credit Union Share Insurance Fund (NCUSIF), and (2) that the merger be accomplished not later than one year from this date.

After the Bureau of Financial Institutions receives evidence satisfactory to it that the resulting credit union will continue to be insured by the NCUSIF, and after the Clerk of the Commission receives and approves the plan of merger and articles of merger, and receives payment of the required fees, the merger will be effective when the Clerk issues a certificate of merger.

CASE NO. BFI930290
JUNE 10, 1993

APPLICATION OF
FIRST VIRGINIA BANKS, INC.

Pursuant to Section 6.1-406 of the Code of Virginia

ORDER APPROVING THE ACQUISITION

ON A FORMER DAY came First Virginia Banks, Inc. and filed its notice, as required by the Virginia Code Section 6.1-406, to acqui United Southern Bank of Morristown, Morristown, Tennessee. 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 United Southern Bank of Morristown by First Virginia Banks, Inc. This matter shall be placed among the ended cases.

CASE NO. BFI930304
JULY 16, 1993

APPLICATION OF
F & M NATIONAL 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 F & M National Corporation and filed its application, as required by Virginia Code Section 6.1-383.1, to acquire 100 percent of the voting shares of First National Bankshares, Inc., Emporia, 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 First National Bankshares, Inc. by F & M National Corporation and orders that this matter be placed among the ended cases.

CASE NO. BFI930305
JULY 2, 1993

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
MARYLAND FINANCIAL RESOURCES, 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 as a mortgage broker under Chapter 16 of Title 6.1 of the Virginia Code; that a bond filed by the Defendant, pursuant to Virginia Code § 6.1-413, was canceled on May 12, 1993; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on May 28, 1993, that he would recommend that its license be revoked unless a new bond was filed by June 28, 1993, and that a written request for hearing was required to be filed in the Office of the Clerk of the Commission on or before June 15, 1993; and that no new bond, or written request for hearing, was filed by the Defendant.

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

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

CASE NO. BFI930306
JULY 16, 1993

APPLICATION OF
FB&T BANK

For a certificate of authority to begin business as a bank and trust company at 4117 Chain Bridge Road, City of Fairfax, Virginia and to operate five branch offices upon the merger of Fairfax Bank & Trust Company into FB&T Bank, under the charter of FB&T Bank and title of Fairfax Bank & Trust Company

ON A FORMER DAY came FB&T Bank and applied to the Commission for: (1) a certificate of authority to begin business as a bank and trust company at 4117 Chain Bridge Road, City of Fairfax, Virginia, and (2) authority to operate five branch offices of the now Fairfax Bank & Trust Company at the following locations: (1) 14006 Lee-Jackson Highway, Chantilly, Fairfax County, Virginia; (2) 8221 Old Courthouse Road, Vienna, Fairfax County, Virginia; (3) 5105 Westfields Boulevard, Centreville, Fairfax County, Virginia; (4) 14260-J Centreville Square,

Centreville, Fairfax County, Virginia; and (5) 12493 Dillingham Square, Lake Ridge, Prince William County, Virginia, upon the merger of Fairfax Bank & Trust Company into FB&T Bank, under the charter of FB&T Bank and the title of Fairfax Bank & Trust Company. Thereupon the application was referred to the Commissioner of Financial Institutions for investigation and report.

AND THE COMMISSION, having considered the application herein and the recommendation of the Commissioner of Financial Institutions with respect thereto, is of the opinion that a certificate of authority to begin business as a bank and trust company should be issued to FB&T Bank, effective upon the issuance by the Commission of a certificate of merger of Fairfax Bank & Trust Company into FB&T Bank, and of amendment and restatement changing the name of FB&T Bank to Fairfax Bank & Trust Company, and with respect thereto the Commission finds: (1) that all the provisions of law have been complied with; (2) that upon the issuance by the Commission of a certificate of merger of Fairfax Bank & Trust Company and FB&T Bank, and of amendment and restatement changing the name of FB&T Bank to Fairfax Bank & Trust Company, capital stock will be $2,000,000 and surplus and a reserve for operations will amount to not less than $7,947,000; (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 additional banking facilities in the community where the applicant is proposed 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 it is proposed that the applicant be located; and (7) that its deposits are to be insured by the Federal Deposit Insurance Corporation.

THE COMMISSION is further of the opinion that upon the issuance by the Commission of a certificate of merger of Fairfax Bank & Trust Company into FB&T Bank, and of amendment and restatement changing the name of FB&T Bank to Fairfax Bank & Trust Company, the resulting Bank should be authorized to operate said five branch offices of the now Fairfax Bank & Trust Company, and with respect thereto, the Commission finds that the public interest will be served by permitting Fairfax Bank & Trust Company (formerly FB&T Bank) to operate said five branch offices upon the issuance by the Commission of a certificate of merger of Fairfax Bank & Trust Company into FB&T Bank, and of amendment and restatement changing the name of FB&T Bank to Fairfax Bank & Trust Company.

IT IS, THEREFORE, ACCORDINGLY ORDERED:

(1) That effective upon the issuance by the Commission to FB&T Bank, the surviving bank in a proposed merger of Fairfax Bank & Trust Company and FB&T Bank, of a certificate of merger, and of amendment and restatement changing the name of FB&T Bank to Fairfax Bank & Trust Company, a certificate be, and it is hereby granted to Fairfax Bank & Trust Company (formerly FB&T Bank) authorizing it to begin business as a bank and trust company at 4117 Chain Bridge Road, City of Fairfax, Virginia; and (2) That upon the merger of FB&T Bank and Fairfax Bank & Trust Company, and the change of name of FB&T Bank to Fairfax Bank & Trust Company, Fairfax Bank & Trust Company, as the surviving bank in such merger be authorized to operate said five branch offices.

CASE NO. BFI930371
JUNE 28, 1993

APPLICATION OF
NATIONSBANK CORPORATION
Charlotte, North Carolina

To acquire MNC Financial and thereby Virginia Federal Savings Bank

PROTECTIVE ORDER

On a former day came NationsBank Corporation ("NationsBank"), applicant, and its respective directors and executive officers, by counsel, and filed a motion for a protective order requesting the sealing and protection of all personal financial information ("financial information") regarding said directors and officers submitted in connection with the subject applications.

And the Commission, having considered the aforesaid motion and the nature of the information sought to be protected, is of the opinion that the motion should be granted.

Therefore, IT IS ORDERED:

(1) That the "financial information" submitted by the officers and directors of NationsBank Corporation in connection with the subject application be sealed and kept confidential by the Bureau of Financial Institutions; and

(2) That only members of the Commission and the staff of the Bureau be granted access to such exhibits.

And, pursuant to a request by the applicant, if any person who is not a Commissioner or member of the staff of the Bureau should seek access to the information so sealed, and it is concluded that the applicable laws, regulations or court rules or orders require disclosure of all or part of the information, NationsBank Corporation will be notified of the situation so that it may take such steps as it may determine to be warranted in the circumstances.

CASE NOS. BFI930371 and BFI930374
AUGUST 30, 1993

APPLICATION OF
NATIONSBANK CORPORATION
Charlotte, North Carolina

To acquire MNC Financial, Inc. and its subsidiaries, including Virginia Federal Savings Bank, Richmond, Virginia

ORDER OF APPROVAL

NationsBank Corporation, a regional bank holding company having Florida as its principal place of business, applied pursuant to Article 11 of Chapter 3.01 of Title 6.1 of the Code of Virginia to acquire MNC Financial, Inc., a Maryland-based regional bank holding company, and its subsidiaries. Virginia Federal Savings Bank, a Virginia savings institution as defined in Virginia Code Section 6.1-194.97, is a subsidiary of MNC Financial, Inc.; ownership of Virginia Federal Savings Bank makes MNC Financial, Inc. a Virginia savings institution holding company. For purposes of this application, NationsBank Corporation is deemed a regional savings institution holding company by virtue of Code Section 6.1-194.107.

NationsBank Corporation also gave notice, in accordance with Virginia Code Section 6.1-406, of its intention to acquire in the same transaction the banks outside Virginia that are subsidiaries of MNC Financial, Inc., namely, Maryland National Bank, Baltimore, Maryland; and American Security Bank, N.A., Washington, D.C. The application and the notice were referred to the Bureau of Financial Institutions for investigation. The Bureau published notice of the application and the notice in its Weekly Information Bulletin dated June 25, 1993, and no objection was received.

Having considered the relevant laws of Florida and the Bureau's report of investigation, the Commission is of the opinion and finds that the statutory prerequisites to approval of the application set forth in Code Section 6.1-194.97 are met: (1) The laws of Florida do not prohibit or unfairly impede Virginia savings institution holding companies from acquiring savings institutions or savings institution holding companies in that state; (2) Florida law would permit the acquisition of NationsBank Corporation by MNC Financial, Inc.; (3) Virginia Federal Savings Bank has been in existence and continuously operating for more than two years; and (4) Florida law imposes no discriminatory condition, etc. to which this transaction need be subject.

Based on the application, the notice, 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 NationsBank Corporation or Virginia Federal Savings Bank; (2) the applicant, and its officers and directors, are qualified by character, experience and financial responsibility to control and operate a Virginia savings institution; (3) the proposed acquisition will not be prejudicial to the interests of depositors, creditors, beneficiaries of fiduciary accounts or shareholders of NationsBank Corporation or Virginia Federal Savings Bank; and (4) the acquisition is in the public interest. Therefore, the Commission hereby approves the application and the notice of NationsBank Corporation to acquire MNC Financial, Inc. and its subsidiaries, particularly Virginia Federal Savings Bank. This matter shall be placed among the ended cases.

CASE NO. BFI930453
SEPTEMBER 1, 1993

APPLICATION OF
CENTRAL PACIFIC MORTGAGE COMPANY

Pursuant to Section 6.1-416.1 of the Code of Virginia

ORDER APPROVING THE ACQUISITION

ON A FORMER DAY came Central Pacific Mortgage Company and filed an application, as required by Virginia Code Section 6.1-416.1, to acquire 100 percent of the voting stock of Colonial Pacific Mortgage Company d/b/a Ramsay Mortgage Company, Inc. 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 6.1-416.1. Therefore, the Commission hereby approves the acquisition of 100 percent of the voting stock of Colonial Pacific Mortgage Company d/b/a Ramsay Mortgage Company, Inc. by Central Pacific Mortgage Company, and orders that this matter be placed among the ended cases.

CASE NO. BFI930539
OCTOBER 20, 1993

APPLICATION OF
HARBOURTON HOLDINGS, L.P.

Pursuant to Section 6.1-416.1 of the Code of Virginia

ORDER APPROVING THE ACQUISITION

ON A FORMER DAY came Harbourton Holdings, L.P. and filed its application, as required by Virginia Code Section 6.1-416.1, to acquire 25 percent or more of the ownership of TMC Mortgage Co., L.P. 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 6.1-416.1. Therefore, the Commission hereby approves the acquisition of 25 percent or more of the ownership of TMC Mortgage Co., L.P. by Harbourton Holdings, L.P. and orders that this matter be placed among the ended cases.

CASE NO. BFI930588
OCTOBER 20, 1993

APPLICATION OF
CHARLES MARK MCCOMAS

Pursuant to Section 6.1-416.1 of the Code of Virginia

ORDER APPROVING THE ACQUISITION

ON A FORMER DAY came Charles Mark McComas and filed his application, as required by Virginia Code Section 6.1-416.1, to acquire 25 percent or more of the ownership of Mortgage Acceptance Corporation. 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 6.1-416.1. Therefore, the Commission hereby approves the acquisition of 25 percent or more of the ownership of Mortgage Acceptance Corporation by Charles Mark McComas and orders that this matter be placed among the ended cases.

CASE NO. BFI930633
SEPTEMBER 30, 1993

IN THE MATTER OF
FREDERICK CREDIT UNION
1011 Berryville Avenue, Suite #5
Winchester, Virginia 22601

ORDER CLOSING THE CREDIT UNION

On this day came the Staff of the Bureau of Financial Institutions ("Bureau") and counsel and represented to the Commission:

1. Frederick Credit Union ("FCU") is a state-chartered credit union having assets of some $1.3 million. Its office is at 1011 Berryville Avenue, Winchester, Virginia, and its share accounts are insured by the National Credit Union Administration("NCUA") through the National Credit Union Share Insurance Fund ("NCUSIF").

2. The financial statements of FCU as of August 31, 1993, show that the credit union is insolvent, i.e., the current value of its assets is less than the sum of its share accounts and liabilities. The Bureau has notified the board of directors of FCU of the insolvency, and the board acquiesces in that conclusion.

3. Since June 29, 1993, when the board of FCU dismissed the former managers of the credit union, FCU has been operated by experienced managers recommended to the board by the Bureau. The board was not successful in its attempts to find another credit union in which to merge FCU.

4. With the consent of the board of FCU and with the cooperation of the NCUSIF, the Bureau has sought bids from a number of credit unions for the purchase of the assets and the assumption of the liabilities of FCU. An acceptable bid has been received, and the NCUSIF has agreed with on terms of a purchase-and-assumption transaction that would assure the continuation of credit union services to members of FCU and continued insurance of share accounts by the NCUA.

5. Disposition of the assets and liabilities of FCU by the National Credit Union Administration Board as receiver for FCU is in the interest of the credit union's members and of the public.

Having considered the foregoing, the Commission is of the opinion and finds that Frederick Credit Union is insolvent, and that the National Credit Union Administration Board should be appointed receiver for it.

Accordingly, IT IS ORDERED, pursuant to Virginia Code § 6.1-225.8, that the Frederick Credit Union be closed, and it hereby is closed as of the close of business Friday, October 1, 1993. The Bureau of Financial Institutions shall take charge of the books, assets, property and affairs of the credit union and relinquish them to the receiver of Frederick Credit Union.

This Order shall be delivered to the officer in charge of Frederick Credit Union, and a copy shall be sent to the National Credit Union Share Insurance Fund of the National Credit Union Administration.

CASE NOS. BFI930634 and BFI930635
DECEMBER 13, 1993

APPLICATIONS OF
CRESTAR FINANCIAL CORPORATION

To acquire 100 percent of the voting stock of Providence Savings and Loan Association, F.A.

and

CRESTAR BANK

To merge into itself Providence Savings and Loan Association, F.A.

ORDER APPROVING THE ACQUISITION AND MERGER

Crestar Financial Corporation, a Virginia bank holding company, applied pursuant to Virginia Code § 6.1-194.40 to acquire 100 percent of the voting stock of Providence Savings and Loan Association, F.A., and Crestar Bank, a state bank, applied to merge into itself Providence Savings and Loan Association, F.A., a federal savings bank. The applications were referred to the Bureau of Financial Institutions for investigation.

Upon consideration of the applications and the report of investigation of the Bureau, the Commission is of the opinion and finds that the acquisition of 100 percent of the voting stock of Providence Savings and Loan Association, F.A. by Crestar Financial Corporation and the merger of Providence Savings and Loan Association, F.A. into Crestar Bank should be approved. In connection with the merger application, the Commission finds that the resulting entity will do business as a bank, and that the applicant, Crestar Bank, meets and, as the resulting bank will meet the standards established by Virginia Code § 6.1-13.

ACCORDINGLY, IT IS ORDERED that the applications of Crestar Financial Corporation to acquire 100 percent of the voting stock of Providence Savings and Loan Association, F.A. and of Crestar Bank to merge into itself Providence Savings and Loan Association, F.A. are approved. The resulting bank, which will continue to have its main office at 919 East Main Street, City of Richmond, Virginia, will operate as branches the following offices of Providence Savings and Loan Association, F.A.: (1) 6050a Burke Commons Road, Burke, Fairfax County, Virginia; (2) 4377 Kevin Walker Drive, Dumfries, Prince William County, Virginia; (3) 10695 Braddock Road, Fairfax County, Virginia; (4) 9845 Georgetown Pike, Great Falls, Fairfax County, Virginia; (5) 1443 Chain Bridge Road, Mclean, Fairfax County, Virginia; (6) 527 Maple Avenue, East, Vienna, Fairfax County, Virginia; (7) 231 South Van Dorn Street, City of Alexandria, Virginia; (8) 3500 Mount Vernon Avenue, City of Alexandria, Virginia (9) 8702 Richmond Highway, Fairfax County, Virginia; (10) 6116a Rose Hill Drive, Fairfax County, Virginia; and (11) 3101 Duke Street, City of Alexandria, Virginia. 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 merger approved by this order shall be effective upon the issuance to Crestar Bank of a certificate of merger of Providence Savings and Loan Association, F.A. into Crestar Bank.

CASE NO. BFI930651
DECEMBER 13, 1993

APPLICATION OF
CRESTAR BANK

To merge into itself Virginia Federal Savings Bank

ORDER APPROVING THE MERGER

Crestar Bank, a State bank, applied pursuant to Virginia Code § 6.1-194.40 to merge into itself Virginia Federal Savings Bank, a federal savings bank. 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 Virginia Federal Savings Bank into Crestar Bank should be approved. In connection with the merger application, the Commission finds that the resulting entity will do business as a bank, and that the applicant, Crestar Bank 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 Crestar Bank to merge into itself Virginia Federal Savings Bank is approved. The resulting bank, which will continue to have its main office at 919 East Main Street, City of Richmond, Virginia, will operate as branches the following offices of Virginia Federal Savings Bank: (1) 1201 Emmet Street, City of Charlottesville, Virginia; (2) 1643 Seminole Trail, City of Charlottesville, Virginia; (3) 1011 East Main Street, Orange, Orange County, Virginia; (4) 230 South Wayne Avenue, City of Waynesboro, Virginia; (5) 11601 Midlothian Turnpike, Midlothian, Chesterfield County, Virginia; (6) 14th & Lee Street, West Point, King William County, Virginia; (7) 1222 Richmond Road, City of Williamsburg, Virginia; (8) 550 East Marshall Street, City of Richmond, Virginia (9) 14 North Laburnum Avenue, Henrico County, Virginia; (10) 1624 Hull Street, City of Richmond, Virginia; (11) 5601 Patterson Avenue, City of Richmond, Virginia; (12) 5419 Lakeside Avenue, Henrico County, Virginia; and (13) 2613 Parham Road, Henrico County, Virginia. 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 merger approved by this order shall be effective upon the issuance to Crestar Bank of a certificate of merger of Virginia Federal Savings Bank into Crestar Bank.

CASE NO. BFI930671
DECEMBER 28, 1993

APPLICATION OF
THE TREDEGAR TRUST COMPANY

For a certificate of authority to begin business as a trust company at 823 East Main Street, 12th Floor, City of Richmond, Virginia

ORDER GRANTING A CERTIFICATE OF AUTHORITY

On a former day the Tredegar Trust Company of Virginia, a corporation organized under the law of this Commonwealth, applied pursuant to Article 3.2 of Chapter 2 of Title 6.1 of the Code of Virginia for a certificate of authority to begin business as a trust company at 823 East Main Street, 12th Floor, City of Richmond, Virginia. The application was investigated by the Bureau of Financial Institutions.

Now having considered the application and the Bureau of Financial Institutions' report of investigation, the Commission is of the opinion and finds that the public interest will be served by the establishment of a trust company at the location where the applicant proposes to commence business. The Commission also finds that:

(1) All the provisions of law relating to the application have been complied with;

(2) Financially responsible persons have subscribed for capital stock, surplus and a reserve for operation in amounts deemed sufficient to warrant successful operation;

(3) The oaths of all the directors have been taken and filed in accordance with Code § 6.1-32.22; and

(4) The moral fitness, financial responsibility and business qualifications of those officers and directors of the proposed trust company are such as to command the confidence of the community in which the trust company is to be located.

Accordingly, IT IS ORDERED that a certificate of authority authorizing The Tredegar Trust Company to do a trust business at 823 East Main Street, 12th Floor, City of Richmond, Virginia be granted, and the certificate of authority hereby is granted, subject to and contingent upon the following conditions being met before the trust company opens for business:

(1) That capital funds totaling $2,000,000 be paid into the trust company and allocated as follows: $500,000 to capital stock, $500,000 to surplus, and $1,000,000 to reserve for operations;

(2) That The Tredegar Trust Company receive the approval of the Commissioner of Financial Institutions of the appointment of its chief executive officer; and

(3) That the Company notify the Commissioner of Financial Institutions of the date it will open for business. If for any reason the applicant fails to open for business within one (1) year of the date of this order, the authority granted herein shall expire; however, the Commission may extend the authority granted in this order prior to the expiration of that time.

CASE NO. BFI930672
DECEMBER 28, 1993

APPLICATION OF
THE TRUST COMPANY OF VIRGINIA

For a certificate of authority to begin business as a trust company at 6800 Paragon Place, Suite 237, Henrico County, Virginia

ORDER GRANTING A CERTIFICATE OF AUTHORITY

On a former day the Trust Company of Virginia, a corporation organized under the law of this Commonwealth, applied pursuant to Article 3.2 of Chapter 2 of Title 6.1 of the Code of Virginia for a certificate of authority to begin business as a trust company at 6800 Paragon Place, Suite 237, Henrico County, Virginia. The application was investigated by the Bureau of Financial Institutions.

Now having considered the application and the Bureau of Financial Institutions' report of investigation, the Commission is of the opinion and finds that the public interest will be served by the establishment of a trust company at the location where the applicant proposes to commence business. The Commission also finds that:

(1) All the provisions of law relating to the application have been complied with;

(2) Financially responsible persons have subscribed for capital stock, surplus and a reserve for operation in amounts deemed sufficient to warrant successful operation;

(3) The oaths of all the directors have been taken and filed in accordance with Code § 6.1-32.22; and

(4) The moral fitness, financial responsibility and business qualifications of those officers and directors of the proposed trust company are such as to command the confidence of the community in which the trust company is to be located.

Accordingly, IT IS ORDERED that a certificate of authority authorizing The Trust Company of Virginia to do a trust business at 6800 Paragon Place, Suite 237, Henrico County, Virginia be granted, and the certificate of authority hereby is granted, subject to and contingent upon the following conditions being met before the trust company opens for business:

(1) That capital funds totaling $2,127,400 be paid into the trust company and allocated as follows: $638,220 to capital stock, $489,180 to surplus, and $1,000,000 to reserve for operations;

(2) That The Trust Company of Virginia receive the approval of the Commissioner of Financial Institutions of the appointment of its chief executive officer; and

(3) That the Company notify the Commissioner of Financial Institutions of the date it will open for business. If for any reason the applicant fails to open for business within one (1) year of the date of this order, the authority granted herein shall expire; however, the Commission may extend the authority granted in this order prior to the expiration of that time.

CASE NO. BFI930677
DECEMBER 22, 1993

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

DISMISSAL ORDER

ON A FORMER DAY the Commissioner of Financial Institutions reported to the Commission that the Defendant, Congressional Funding, Inc., is licensed to engage in business as a mortgage lender and broker under Chapter 16 of Title 6.1 of the Virginia Code; that the Defendant did not have $200,000 available funds, as required by Virginia Code § 6.1-415; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on October 26, 1993 that its mortgage lender license would be revoked for its failure to provide evidence that it had $200,000 available funds, and that a written request for hearing was required to be filed in the Office of the Clerk of the Commission on or before November 10, 1993; and that thereafter the Defendant surrendered its mortgage lender license.

Accordingly, it is ORDERED that this case is dismissed as moot.

CASE NO. BFI930700
DECEMBER 13, 1993

APPLICATION OF
DAVENPORT-DUKES ASSOCIATES, INC.

Pursuant to Section 6.1-416.1 of the Code of Virginia

ORDER APPROVING THE ACQUISITION

ON A FORMER DAY came Davenport-Dukes Associates, Inc. and filed its application, as required by Virginia Code Section 6.1-416.1, to acquire 100 percent of the ownership of Davenport-Dukes Mortgage Service Corporation. 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 6.1-416.1. Therefore, the Commission hereby approves the acquisition of 100 percent or more of the ownership of Davenport-Dukes Mortgage Service Corporation by Davenport-Dukes Associates, Inc. and orders that this matter be placed among the ended cases.

CASE NO. BFI930725
DECEMBER 13, 1993

APPLICATION OF
LINDA N. STEVENS

Pursuant to Section 6.1-416.1 of the Code of Virginia

ORDER APPROVING THE ACQUISITION

ON A FORMER DAY came Linda N. Stevens and filed her application, as required by Virginia Code Section 6.1-416.1, to acquire 25 percent or more of the ownership of Edmunds Financial Corporation. 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 6.1-416.1. Therefore, the Commission hereby approves the acquisition of 25 percent or more of the ownership of Edmunds Financial Corporation by Linda N. Stevens and orders that this matter be placed among the ended cases.

CASE NO. BFI930744
DECEMBER 28, 1993

APPLICATION OF
THE MIDDLEBURG BANK
(in organization)

For a certificate of authority to do a banking and trust business at 111 West Washington Street, Middleburg, Loudoun County, Virginia upon the conversion of The Middleburg National Bank

ORDER ISSUING A CERTIFICATE OF AUTHORITY

The Middleburg Bank has applied, pursuant to Virginia Code Sections 6.1-33 and 6.1-38, for a certificate of authority to do banking and trust business as a state bank at 111 West Washington Street, Middleburg, Loudoun County, Virginia. Those Sections provide for the issuance of such certificate upon the conversion of a national banking association into a state chartered bank. The application was referred to the Commissioner of Financial Institutions for investigation.

According to the report of the Commissioner, The Middleburg Bank has been incorporated as a Virginia corporation empowered by its certificate of incorporation to do a banking and trust business. The corporation was formed to be the successor of The Middleburg National Bank, a national banking association having its main office at 111 West Washington Street, Middleburg, Loudoun County, Virginia. The bank has assets of approximately $117.6 million. The Commissioner reports that the requirements of Section 6.1-33 and the applicable requirements of Section 6.1-13 have been fulfilled, and he recommends approval of the application.

Now having considered the application and the report of the Commissioner of Financial Institutions, the Commission is of the opinion and finds that the procedure required by federal law for conversion has been followed, that the conversion has been approved by the stockholders of the national bank association in the manner and by the percentage vote so required, that the applicable requirements of Virginia Code Section 6.1-13 have been met in this case, and that the certificate of authority should be granted.

THEREFORE, IT IS ORDERED that a certificate of authority to do a banking and trust business as a state bank, with the main office set forth above, be issued to The Middleburg Bank, and such a certificate is issued contingent upon the following conditions being met: (1) the applicant shall obtain insurance of its deposit accounts by the Federal Deposit Insurance Corporation, (2) the capital stock of the applicant shall be $2,240,000 and its surplus and reserve for operations will amount to not less than $13,626,000 and (3) the applicant shall notify the Bureau of the date on which it will commence business as a state bank. In the event the applicant does not fulfill the foregoing conditions the authority granted herein will expire sixty days from this date, unless the sixty-day period is extended by Order of the Commission.

CASE NO. BFI930745
DECEMBER 28, 1993

APPLICATION OF
INDEPENDENT COMMUNITY BANKSHARES, INC.

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 Independent Community Bankshares, Inc. and filed its application, as required by Virginia Code Section 6.1-383.1, to acquire 100 percent of the shares of The Middleburg Bank, Loudoun County, 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 shares of The Middleburg Bank by Independent Community Bankshares, Inc. and orders that this matter be placed among the ended cases.

CASE NO. BFI930750
DECEMBER 13, 1993

APPLICATION OF
NATIONSBANK CORPORATION

Pursuant to Section 6.1-406 of the Code of Virginia

ORDER APPROVING THE ACQUISITION

ON A FORMER DAY came NationsBank Corporation and filed its notice, as required by the Virginia Code Section 6.1-406, to acquire Corpus Christi National Bank, Corpus Christi, Texas. 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 Corpus Christi National Bank by NationsBank Corporation. This matter shall be placed among the ended cases.

CLERK'S OFFICE

CASE NO. CLK930867
NOVEMBER 2, 1993

PETITION OF
NATIONAL RURAL TELECOMMUNICATIONS COOPERATIVE

FINAL ORDER

This matter is before the Commission on the request of National Rural Telecommunications Cooperative ("NRTC") for a review of the decision of our Clerk to deny NRTC's Application for a Certificate of Authority to Transact Business in Virginia. By order of September 22, 1993, we converted this matter to a formal proceeding.

NRTC is a nonstock, nonprofit corporation formed in 1986 under the District of Columbia Cooperative Association Act. In 1990, NRTC relocated its offices to Herndon, Virginia, and in January, 1991, sought from the Clerk's Office a Certificate of Authority to do business as a foreign cooperative association. On January 29, 1991, the Clerk denied this request, and NRTC did not pursue the matter until recently. In August of this year, however, NRTC renewed its application, and the Clerk again rejected it. NRTC has appealed that determination to the Commission.

Staff and NRTC have extensively addressed the issues of whether NRTC can qualify as an agricultural association, given the definitions of such organizations and their permissible purposes found in the Code, or, in the alternative, whether a foreign corporation can qualify as a "general" cooperative under our statutes.[1] The Commission believes, however, that this case can be decided on more narrow grounds, also briefed by the parties.

Article IX, Section 5 of the Constitution of Virginia provides, in part:

> No foreign corporation shall. . .be permitted to do anything which domestic corporations are prohibited from doing, or be relieved from compliance with any of the requirements made of similar domestic corporations by the Constitution and laws of this Commonwealth.

Thus, NRTC, a foreign corporation seeking authority to do business in this state, must be held to the same standards and requirements of Virginia law as are similar domestic corporations. NRTC seems to agree with this principle, since the entire thrust of its argument relates to whether it meets the requirements of our statutes governing the formation and operation of either "general" or agricultural cooperatives in this state. Judged by the above criteria, however, we are compelled to reject NRTC's position in either case.

First, Va. Code § 13.1-321(a) provides that an agricultural cooperative "may admit as members only bona fide producers of agricultural products, including tenants and landlords receiving a share of the crop, and cooperative associations of such producers." NRTC admits that it does not meet this criteria. See letter from Michael Hern to Commissioner Moore, September 17, 1993, page 4:

> [T]he membership is not, strictly speaking, limited to producers of agricultural products or cooperative associations of such producers. . . .[T]he NRTC and its constituent members do not exclude from membership people that are not producers of agricultural products. . . .

(Emphasis in original.)

Thus, NRTC cannot qualify as an agricultural cooperative.

Second, NRTC cannot qualify as a general cooperative because it is a nonstock corporation, and our statute requires that general cooperatives be stock corporations. Specifically, Va. Code § 13.1-301 provides that:

> Any number of persons not less than five may, under the provisions of Article 3 (§ 13.1-618 et seq.) of Chapter 9 of this title, associate themselves together as a cooperative association. . . .

Article 3, Chapter 9 is the Stock Corporation Act. Section 13.1-619 of this Act specifies what details the articles of incorporation must include, one of which is that the number of shares the corporation is authorized to issue must be stated. There are similar provisions found in the Nonstock Corporation Act, see Va. Code § 13.1-819. The legislature could have included in Va. Code § 13.1-301, above, a reference to these provisions also had it seen fit to allow general cooperatives to be either stock or nonstock in nature.

Third, Va. Code § 13.1-301 also states that the provisions of "Chapter 9. . .of this title" (the Stock Corporation Act) shall apply to such cooperatives. No similar reference is made to the Nonstock Corporation Act.

Fourth, references in the other sections governing general cooperatives indicate that such cooperatives are expected to issue stock. For example, Va. Code § 13.1-303 provides that, at any regular meeting in which a majority of all stockholders are present, the association may, by majority vote of those stockholders, make certain investments. No similar provision addresses how a nonstock corporation might take such action.

In responding to the above argument, NRTC quotes the provisions of Va. Code § 13.1-311.1. This statute reads, as pertinent:

> Those provisions of the Virginia Stock Corporation Act. . .and the Virginia Nonstock Corporation Act. . .relating, respectively, to the involuntary dissolution of domestic corporations, [and] to the revocation of the certificates of authority to do business in this Commonwealth of foreign corporations,. . .shall apply to every association organized or doing business in this Commonwealth pursuant to the provisions of this chapter. . . .

(Emphasis supplied.)

NRTC argues that, inasmuch as the above provision references requirements of the Nonstock Corporation Act, and that this section is found in the article governing general cooperatives, this must mean that general cooperatives may be nonstock corporations. The fallacy in this argument is that NRTC has ignored the final word quoted above, "chapter." The "chapter" referred to contains two articles, the first of which addresses general cooperatives, while the second covers agricultural cooperatives, and it is quite clear that an agricultural cooperative may be nonstock. For example, Va. Code § 13.1-316 specifies that the articles of incorporation of an agricultural association must state, among other things, whether it is to be organized with or without capital stock, and if nonstock, how the property rights of the members are to be determined. Thus, the reference in Va. Code § 13.1-311.1 to both the Stock Act and the Nonstock Act may have been included by the General Assembly because that provision applies to both types of associations organized under the "chapter."[2]

The Commission must therefore deny NRTC's application on the grounds that (1) it cannot qualify as an agricultural cooperative because its membership is not limited as required by Article 2, Chapter 3, of Title 13.1; and (2) it cannot qualify as a "general" cooperative because it is not a stock corporation, as required by Article 1 of Chapter 3.

Accordingly, IT IS ORDERED, that the action of the Clerk is affirmed and that NRTC's Application for a Certificate of Authority to Transact Business in Virginia is denied.

[1]When the phrase "general cooperative" is used herein, it means a cooperative which is not an agricultural association as defined in Va. Code § 13.1-313, but is a cooperative created under Article 1 of Chapter 3 of Title 13.1 of the Code (§ 13.1-301 et seq.).

[2]*An editor's note immediately following Va. Code § 13.1-311.1 states:* "The number of this section was assigned by the Virginia Code Commission for better arrangement, the number of this section in the 1958 act having been 13.1-342." Had the latter number been retained, this provision would have been left in Article 2 of the chapter, dealing with agricultural cooperatives, which may be nonstock in nature, as explained above.

BUREAU OF INSURANCE

CASE NO. INS860290
MARCH 25, 1993

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

ORDER TO TAKE NOTICE

WHEREAS, by order entered herein May 19, 1987, the license of Defendant to transact the business of insurance in the Commonwealth of Virginia was suspended until further order of the Commission;

WHEREAS, Virginia Code § 38.2-1040 provides, in part, that the Commission may suspend or revoke the license of any insurance company 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, or has had its corporate existence dissolved or its certificate of authority revoked in the state in which it was organized or in this Commonwealth;

WHEREAS, by order entered in the Circuit Court of Cook County, Illinois in Case No. 87-CH-08615 Defendant was placed into rehabilitation by the Illinois Insurance Department;

WHEREAS, Defendant's Certificate of Authority to transact business as a foreign corporation in the Commonwealth of Virginia has been 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 April 6, 1993, revoking the license of Defendant to transact the business of insurance in the Commonwealth of Virginia, unless on or before April 6, 1993, Defendant files with the Clerk of the Commission, Document Control Center, P.O. Box 2118, Richmond, Virginia 23216, a request for a hearing to contest the proposed revocation of Defendant's license.

CASE NO. INS860290
APRIL 9, 1993

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

ORDER REVOKING LICENSE

WHEREAS, for the reasons stated in an order entered herein March 25, 1993, Defendant was ordered to take notice that the Commission would enter an order subsequent to April 6, 1993, revoking the license of the Defendant to transact the business of insurance in the Commonwealth of Virginia unless on or before April 6, 1993, 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, as of the date of this order, Defendant has not filed a request to be heard before the Commission with respect to the proposed revocation of Defendant's license;

THEREFORE IT IS ORDERED:

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

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

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

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

CASE NO. INS900054
JULY 28, 1993

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

ORDER TO TAKE NOTICE

WHEREAS, by order entered herein June 12, 1990, for the reasons stated therein, Defendant's license to transact the business of insurance in the Commonwealth of Virginia was suspended;

WHEREAS, Virginia Code § 38.2-1040 provides, inter alia, that the Commission may revoke the license of any insurance company to transact the business of insurance in the Commonwealth of Virginia wherever the Commission finds that the company has been found insolvent by a court of any other state and has been prohibited from doing business in that state;

WHEREAS, by order entered in the Circuit Court of Cook county, Illinois on May 11, 1993, Defendant was found to be insolvent and the Director of Insurance for the State of Illinois was appointed the liquidator of Defendant; and

WHEREAS, the Bureau of Insurance has recommended that the Commission revoke the license of Defendant to transact the business of insurance in the Commonwealth of Virginia;

THEREFORE, IT IS ORDERED that Defendant TAKE NOTICE that the Commission shall enter an order subsequent to August 5, 1993, revoking the license of Defendant to transact the business of insurance in the Commonwealth of Virginia unless on or before August 5, 1993, 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 revocation of Defendant's license.

CASE NO. INS900054
AUGUST 9, 1993

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

ORDER REVOKING LICENSE

WHEREAS, for the reasons stated in an order entered herein July 28, 1993, Defendant was ordered to take notice that the Commission would enter an order subsequent to August 5, 1993, revoking the license of Defendant to transact the business of insurance in the Commonwealth of Virginia unless on or before August 5, 1993, 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, as of the date of this order, Defendant has not filed a request to be heard before the Commission with respect to the proposed revocation of Defendant's license;

THEREFORE, IT IS ORDERED:

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

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

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

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

CASE NO. INS900174
APRIL 7, 1993

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
CAROLYN V. PENCE
and
SNYDER-PENCE INSURANCE AGENCY, INC.,
Defendants

FINAL ORDER

ON A FORMER DAY came Defendants, by counsel, and made an offer to the Commission to settle the above-captioned proceeding; and

WHEREAS, Defendants have complied with the terms of settlement offer;

THEREFORE, IT IS ORDERED:

(1) That the offer of Defendants in settlement of the matter set forth herein be, and it is hereby, accepted;

(2) That the order revoking the license of Defendant, Carolyn V. Pence, be, and it is hereby, vacated; and

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

CASE NO. INS910068
DECEMBER 13, 1993

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
FIDELITY BANKERS LIFE INSURANCE COMPANY,
Defendant

SECOND ORDER IN AID OF RECEIVERSHIP

ON A FORMER DAY CAME the Deputy Receiver and filed with the Clerk of the Commission an Application for Second Order In Aid of Receivership (the "Application"), seeking various matters associated with the mutualization of Fidelity Bankers Life Insurance Company, in Receivership for Conservation and Rehabilitation ("Fidelity Bankers"). Specifically, the Deputy Receiver seeks an Order from the Commission that:

a. approves the Amended and Restated Articles of Incorporation and the Amended and Restated By-Laws by which Fidelity Bankers is mutualized and becomes First Dominion Mutual Life Insurance Company ("First Dominion"), and

b. confirms that First Dominion shall remain in receivership until the further orders of the Commission.

AND THE COMMISSION, having considered the Application, and the argument and evidence submitted in support thereof, finds that the Deputy Receiver's Application is, in all things, well taken and that it should be, and it is hereby, granted. Accordingly, the Commission now finds as follows:

1. The "AMENDED AND RESTATED ARTICLES OF INCORPORATION" attached to the Deputy Receiver's Application as Exhibit "A", and the "AMENDED AND RESTATED BY-LAWS" attached to the Deputy Receiver's Application as Exhibit "B" should be approved as being in conformance with the Rehabilitation Plan, the Commission's Final Order of September 29, 1992 and applicable law as more particularly set out in Section 38.2-1518 of the Code of Virginia and the transaction thereby implemented should further be ratified and approved for the same reason. The Commission finds that the mutualization transaction described herein and as contemplated by the Plan is, under

Section 38.2-1328 of the Code of Virginia, exempt from application of Sections 38.2-1323-1327 because it will not have the effect of changing or influencing the control of a domestic insurer inasmuch as the Deputy Receiver will be in control of First Dominion before and after the transaction.

2. For clarity, and to allow the Deputy Receiver to continue his efforts to preserve and protect the interests of policyholders and other creditors, the Commission's previous orders entered in this receivership, including but not limited to, the restrictions and protections of the Receivership Order, the First Order In Aid of Receivership, and the Final Order, should be reaffirmed, applied, and extended to First Dominion, until such time as the Deputy Receiver and the Commission find that First Dominion is capable of operating in the marketplace independently, or until the management of First Dominion is sold or transferred to another person or entity.

THEREFORE, IT IS ORDERED, upon good cause shown, that:

(1) The "AMENDED AND RESTATED ARTICLES OF INCORPORATION" and "AMENDED AND RESTATED BY-LAWS" attached to the Deputy Receiver's Application as Exhibits "A" and "B" are hereby approved and the mutualization of Fidelity Bankers, converting it to First Dominion Mutual Life Insurance Company, is further hereby approved and ratified as in conformance with the Plan, this Commission's Final Order of September 29, 1992 and applicable laws as more particularly set forth in Section 38.2-1518 of the Code of Virginia all in the best interest of the policyholders and creditors of Fidelity Bankers. Such transaction is exempt from the provisions of Sections 38.2-1323-1327 of the Code of Virginia under Section 38.2-1328;

(2) The orders and injunctions issued by this Commission in this proceeding, including but not limited to, the Receivership Order, the First Order In Aid of Receivership, and the Final Order, are hereby reaffirmed, extended, and applied to First Dominion and the Trust, such actions being reasonable and necessary to clarify and protect the jurisdiction of this Commission and the integrity of the Rehabilitation Plan. Such actions will also enable the Commission to conduct these proceedings pursuant to the statutory provisions of the Virginia Code. All persons or other entities are accordingly enjoined form the commencement, prosecution, or further prosecution of any suit, action, claim, arbitration, or other proceeding against Fidelity Bankers or its successor, First Dominion, the Deputy Receiver, the Trust, and this Commission, except to the extent that this Commission grants or has granted its permission to do so by written order;

(3) All authority granted to the Deputy Receiver in this Order is in addition to that accorded to the Deputy Receiver pursuant to prior Orders which the Commission has entered or may enter in this cause, the insurance laws of the Commonwealth of Virginia, and other applicable law. The grant to the Deputy Receiver of certain authority and power by the terms of this Order may be duplicative of authority and power previously conferred on him by lawful order or by operation of law, and any such grant of express power shall not be construed to imply that the Deputy Receiver did not previously possess such power and authority nor shall it be construed to imply a limitation or revocation of authority previously granted to the Deputy Receiver; and

(4) The Amended and Restated Articles of Incorporation and By-Laws approved hereby shall be lodged with the Clerk of the Commission who shall thereupon issue a certificate of amendment and restatement.

CASE NO. INS910283
FEBRUARY 9, 1993

PETITION OF
MAYFLOWER NATIONAL LIFE INSURANCE COMPANY

For a review of Bureau of Insurance disapproval of proposed credit accident and sickness insurance forms pursuant to Virginia Code §§ 38.2-3710 and 38.2-1926

FINAL ORDER

GOOD CAUSE having been shown, the Commission hereby orders that this matter be dismissed and that the papers herein be placed in the file for ended causes.

CASE NO. INS910336
JUNE 4, 1993

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
JOSE H. VILLANUEVA, JR.,
Defendant

CEASE AND DESIST ORDER

IT APPEARING from an investigation and subsequent allegations by the Bureau of Insurance that Defendant, not licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia, may have in certain instances, violated Virginia Code § 38.2-1822 by soliciting, negotiating, procuring or effecting contracts of insurance without first obtaining a license from the Commission; and

IT FURTHER APPEARING that Defendant has waived his right to a hearing and agreed to the entry of a cease and desist order;

THEREFORE, IT IS ORDERED:

(1) That Defendant cease and desist from any conduct which constitutes a violation of Virginia Code § 38.2-1822;

(2) That Defendant shall be eligible to apply to the Commission to be licensed as an insurance agent in the Commonwealth of Virginia two (2) years from the date of this order; and

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

CASE NO. INS920006
JANUARY 13, 1993

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
FEDERAL CONTRACT EMPLOYEES HEALTH AND WELFARE SERVICE INDUSTRY TRUST,
Defendant

ORDER TO TAKE NOTICE

WHEREAS, Defendant is a multiple employer welfare arrangement domiciled in the state of California which is providing health care coverage, or has provided health care coverage, in the Commonwealth of Virginia; and

WHEREAS, Defendant is not licensed by the Commission as an insurer pursuant to Title 38.2 of the Code of Virginia or a multiple employer welfare arrangement pursuant to the Commission's Rules Governing Multiple Employer Welfare Arrangements adopted in Case No. INS910244, nor is Defendant exempt from Commission regulation by the Commission's own rules or any law or regulation of the federal government;

THEREFORE, it is ordered that Defendant TAKE NOTICE that the Commission shall enter an order subsequent to January 27, 1993, (i) permanently enjoining Defendant from operating a multiple employer welfare arrangement in the Commonwealth of Virginia; (ii) imposing a monetary penalty against Defendant in the amount of five thousand dollars ($5,000) for operating an unlicensed multiple employer welfare arrangement in the Commonwealth of Virginia; and (iii) requiring Defendant to make restitution, in accordance with Virginia Code § 38.2-218.D.C, for unpaid health care claims, unless on or before January 27, 1993, Defendant files with the Clerk of the Commission, Document Control Center, P.O. Box 2118, Richmond, Virginia 23216, a responsive pleading to object to the entry of the aforesaid order and a request for hearing.

CASE NO. INS920006
MAY 5, 1993

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
FEDERAL CONTRACT EMPLOYEES HEALTH AND WELFARE SERVICE INDUSTRY TRUST,
Defendant

SETTLEMENT ORDER

IT APPEARING from an investigation and subsequent allegations by the Bureau of Insurance that Federal Contract Employees Health and Welfare Service Industry Trust (the "Trust") may have violated the Commission's Rules Governing Multiple Employer Health Care Plans adopted in Case No. INS870162, as amended in Case No. INS910244, by operating a multiple employer health care plan in the Commonwealth of Virginia without first obtaining a license from the Commission;

IT FURTHER APPEARING that the Commission is authorized by Virginia Code §§ 38.2-218 and 38.2-219 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 the Trust has committed the aforesaid alleged violation;

IT FURTHER APPEARING that the Trust has been advised of its right to a hearing in this matter, whereupon the Trust, without admitting any violation of any law and affirmatively denying the allegations made by the Bureau of Insurance, has waived its right to a hearing and has made an offer of settlement to the Commission wherein the Trust has agreed to (i) tender to the Commonwealth of Virginia the sum of five thousand dollars ($5,000); (ii) provide an affidavit to the Commission stating that there are no outstanding health care claims in the Commonwealth of Virginia; (iii) the entry of an order enjoining Defendant from operating as an unlicensed multiple employer health care plan in the Commonwealth of Virginia; and (iv) limit its operations in the Commonwealth of Virginia to those which comply with the Commission's Rules Governing Multiple Employer Welfare Arrangements adopted in Case No. INS910244;

IT FURTHER APPEARING that the Bureau of Insurance has recommended that the Commission accept the offer of settlement of the Trust pursuant to the authority granted the Commission in Virginia Code § 12.1-15,

IT IS ORDERED:

(1) That the offer of the Trust in settlement of the matter set forth herein be, and it is hereby, accepted;

(2) That, until further order of the Commission, the Trust be, and it is hereby, enjoined from operating as an unlicensed multiple employer health care plan in the Commonwealth of Virginia;

(3) That, until further order of the Commission, the Trust shall limit its operations in the Commonwealth of Virginia to those which comply with the Commission's Rules Governing Multiple Employer Welfare Arrangements adopted in Case No. INS910244; and

(4) That the papers herein be placed in the file for ended causes.

CASE NO. INS920235
NOVEMBER 30, 1993

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
MD - INDIVIDUAL PRACTICE ASSOCIATION, INC.
and
OPTIMUM CHOICE, INC.,
Defendants

FINAL ORDER

GOOD CAUSE having been shown, the Consent Order entered herein by the Commission on July 7, 1992, is hereby vacated and the papers herein shall be placed in the file for ended causes.

CASE NO. INS920251
JULY 21, 1993

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
GROUP HOSPITALIZATION AND MEDICAL SERVICES, INC.,
Defendant

ORDER VACATING CONSENT ORDER

ON A FORMER DAY came, by counsel, Group Hospitalization and Medical Services, Inc., a federally chartered corporation ("GHMSI"), domiciled in the District of Columbia and licensed in Virginia as a health services plan pursuant to Chapter 42 of Title 38.2 of the Virginia Code, as amended, and moved the Commission to enter an order vacating its August 3, 1992 Consent Order concerning the operation of GHMSI's business affairs, and

IT APPEARING to the Commission, after due consideration of the Motion, its accompanying papers and attached exhibits, including the Affidavit from the Superintendent of Insurance of the Government of the District of Columbia, that the Motion should be granted; it is hereby

ORDERED that the August 3, 1992 Consent Order in this cause be, and hereby is, vacated.

CASE NO. INS920378
FEBRUARY 5, 1993

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
ACTION STAFFING, INC.,
Defendant

PERMANENT INJUNCTION

WHEREAS, by Rule to Show Cause entered herein October 28, 1992, Defendant was ordered to appear in the Commission's Courtroom and show cause, if any, why the Commission should not (i) permanently enjoin Defendant from operating a multiple employer welfare arrangement in the Commonwealth of Virginia; (ii) impose a monetary penalty against Defendant in the amount of five thousand dollars ($5,000) for operating an unlicensed multiple employer welfare arrangement in the Commonwealth of Virginia; and (iii) require Defendant to make restitution, in accordance with Virginia Code § 38.2-218.D.1.c, for unpaid health care claims;

WHEREAS, by letter filed herein on November 9, 1992, in response to the Commission's Rule to Show Cause, the Commission was advised by counsel for Defendant that Defendant is no longer transacting business in Virginia and that Defendant is actively engaged in efforts to make restitution for all unpaid claims, which includes the accumulation of funds in a court-controlled escrow account for the sole purpose of paying claims and the administrative processing of outstanding claims by the State of Florida, Department of Insurance; and

WHEREAS, by letter filed herein November 30, 1992, Defendant, in order to settle the matter presently before the Commission, agreed to the entry of an order permanently enjoining Defendant from operating an unlicensed multiple employer welfare arrangement in the Commonwealth of Virginia and agreed to the imposition of a penalty of one thousand dollars ($1,000);

THEREFORE, IT IS ORDERED:

(1) That the offer of Defendant in settlement of the matter set forth herein be, and it is hereby, accepted;

(2) That Defendant be, and it is hereby, permanently enjoined from operating an unlicensed multiple employer welfare arrangement in the Commonwealth of Virginia;

(3) That the Rule to Show Cause entered herein be, and it is hereby, dismissed; and

(4) That the papers herein be placed in the file for ended causes.

CASE NO. INS920381
JANUARY 27, 1993

APPLICATION OF
AUGUSTA MUTUAL INSURANCE COMPANY
and
BEDFORD MUTUAL INSURANCE COMPANY

For approval of a plan of merger pursuant to Virginia §§ 38.2-216 and 38.2-1018

ORDER APPROVING PLAN OF MERGER

ON A FORMER DAY came Augusta Mutual Insurance Company ("Augusta") and Bedford Mutual Insurance Company ("Bedford"), Virginia-domiciled mutual assessment property and casualty insurers licensed by this Commission and, pursuant to Virginia Code §§ 38.2-216 and 38.2-1018, filed with the Clerk of the Commission a joint application for approval of a plan of merger of Bedford with and into Augusta, Bedford being the proposed surviving insurer.

By Order entered herein December 15, 1992, the Commission conducted a hearing on January 27, 1993, in its 13th Floor Courtroom on the proposed plan of merger at which Augusta, Bedford and the Bureau of Insurance, represented by their respective counsel, presented evidence as to the proposed plan of merger, there being no one present at the hearing or otherwise objecting in the record to the proposed plan of merger;

AND THE COMMISSION, having considered the evidence adduced at the hearing and the law applicable in this matter, is of the opinion and finds that the proposed plan of merger is fair, equitable and consistent with the law and that no reasonable objection thereto exists.

THEREFORE, IT IS ORDERED that the proposed plan of merger of Bedford Mutual Insurance Company with and into Augusta Mutual Insurance Company be, and it is hereby, APPROVED effective as of the date of this order.

CASE NO. INS920384
JANUARY 4, 1993

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

FINAL ORDER

WHEREAS, by order entered herein September 23, 1992, Defendant was ordered to eliminate the impairment in its surplus and restore the same to at least $1,000,000 and advise the Commission of the accomplishment thereof by affidavit of Defendant's president or other authorized officer;

WHEREAS, by affidavit filed with the Commission by Defendant's vice president, the Commission has been advised that Defendant has restored its surplus to the minimum amount required by Virginia law;

WHEREAS, the Bureau of Insurance has recommended that the Impairment Order entered by the Commission be vacated; and

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. INS920406
JANUARY 11, 1993

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

ORDER SUSPENDING LICENSE

WHEREAS, for the reasons stated in an order entered herein December 22, 1992, Defendant was ordered to take notice that the Commission would enter an order subsequent to January 7, 1993,suspending the license of Defendant to transaction the business of insurance in the Commonwealth of Virginia unless on or before January 7, 1993, 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:

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

(2) That the Defendant shall issue no new contracts or policies of insurance in the Commonwealth of Virginia until further order of the Commission;

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

(4) That 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) That 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) That the Bureau of Insurance cause notice of the suspension of Defendant's license to be published in the manner set forth in Virginia Code § 38.2-1043.

CASE NO. INS920411
JANUARY 5, 1993

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
JEFFERSON-PILOT FIRE & CASUALTY COMPANY
JEFFERSON-PILOT PROPERTY INSURANCE COMPANY
AND
SOUTHERN FIRE & CASUALTY COMPANY,
Defendants

SETTLEMENT ORDER

IT APPEARING from a market conduct examination conducted 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 certain provisions of the Code of Virginia; to wit: Jefferson Pilot Fire and Casualty Company violated Virginia Code §§ 38.2-231, 38.2-304, 38.2-305.A.6, 38.2-510.A.6, 38.2-510.A.10, 38.2-610, 38.2-1905, 38.2-1906.B, 38.2-1908.B, 38.2-2005, 38.2-2014, 38.2-2113, 38.2-2114, 38.2-2118, 38.2-2208, 38.2-2212 and 38.2-2220, as well as, Section 4.4 of the Commission's Rules Governing Insurance Premium Finance Companies and Section 4 of the Commission's Rules Governing Unfair Claim Settlement Practices; Jefferson-Pilot Property Insurance Company violated Virginia Code §§ 38.2-510.A.10, 38.2-2208, 38.2-2212 and 38.2-2220, as well as Section 4 of the Commission's Rules Governing Unfair Claim Settlement Practices; Southern Fire & Casualty Company violated Virginia Code §§ 38.2-231, 38.2-304, 38.2-305.A.6, 38.2-510.A.6, 38.2-510.A.10, 38.2-610, 38.2-1906.B, 38.2-1908.B, 38.2-2005, 38.2-2014, 38.2-2113, 38.2-2114, 38.2-2118, 38.2-2208, 38.2-2212 and 38.2-2220, as well as, Section 4.4 of the Commission's Rules Governing Insurance Premium Finance Companies and Section 4 of the Commission's Rules Governing Unfair Claim Settlement Practices;

IT FURTHER APPEARING that the Commission is authorized by Virginia Code §§ 38.2-218, 38.2-219 and 38.2-1040 to impose certain monetary penalties, issue cease and desist orders and to suspend or revoke Defendants' licenses upon a finding by 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 have made an offer of settlement to the Commission wherein Defendants have tendered to the Commonwealth of Virginia the sum of twelve thousand five hundred dollars ($12,500) and have waived their 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 Virginia Code § 12.1-15,

IT IS ORDERED:

(1) That the offer of Defendant in settlement of the matter set forth herein be, and it is hereby, accepted; and

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

CASE NO. INS920416
NOVEMBER 1, 1993

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

ORDER TO TAKE NOTICE

WHEREAS, by order entered herein November 18, 1992, for the reasons stated therein, Defendant's license to transact the business of insurance in the Commonwealth of Virginia was suspended;

WHEREAS, Virginia Code § 38.2-1040 provides, inter alia, that the Commission may 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 has been found insolvent by a court of any other state and has been prohibited from doing business in that state;

WHEREAS, by order entered in the District Court for Oklahoma County, Oklahoma on October 23, 1992, Defendant was found to be insolvent and the Insurance Commissioner for the state of Oklahoma was appointed receiver of Defendant and was ordered to liquidate the business and affairs of Defendant; and

WHEREAS, the Bureau of Insurance has recommended that the Commission revoke the license of Defendant to transact the business of insurance in the Commonwealth of Virginia;

THEREFORE, IT IS ORDERED that Defendant TAKE NOTICE that the Commission shall enter an order subsequent to November 12, 1993, revoking the license of Defendant to transact the business of insurance in the Commonwealth of Virginia unless on or before November 12, 1993, 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 revocation of Defendant's license.

CASE NO. INS920416
NOVEMBER 22, 1993

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

ORDER REVOKING LICENSE

WHEREAS, for the reasons stated in an order entered herein November 1, 1993, Defendant was ordered to take notice that the Commission would enter an order subsequent to November 12, 1993, revoking the license of the Defendant to transact the business of insurance in the Commonwealth of Virginia unless on or before November 12, 1993, 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, as of the date of this order, Defendant has not filed a request to be heard before the Commission with respect to the proposed revocation of Defendant's license;

THEREFORE, IT IS ORDERED:

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

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

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

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

CASE NO. INS920420
JANUARY 13, 1993

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
LORENZO ANDREWS,
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 a life and health agent, in certain instances, violated Virginia Code § 38.2-1813 by failing to hold collected premiums in a fiduciary capacity and by failing to account for and pay the premiums to an insurer entitled to payment when due;

IT FURTHER APPEARING that the Commission is authorized by Virginia Code §§ 38.2-218, 38.2-219 and 38.2-1831 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 30, 1992 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; 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 revoking Defendant's license to transact the business of insurance in the Commonwealth of Virginia,

THE COMMISSION is of the opinion and finds that Defendant has violated Virginia Code § 38.2-1813 by failing to hold collected premiums in a fiduciary capacity and by failing to account for and pay the premiums to an insurer entitled to payment when due;

THEREFORE, IT IS ORDERED:

(1) That the license of Defendant to transact the business of insurance as an agent in the Commonwealth of Virginia be, and it is hereby, revoked;

(2) That all appointments issued under said license be, and they are hereby, void;

(3) That Defendant transact no further business in the Commonwealth of Virginia as an insurance agent;

(4) That 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

(5) That the papers herein be placed in the file for ended causes.

CASE NO. INS920421
JANUARY 5, 1993

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
MICHAEL DURHAM,
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 a life and health agent, in certain instances, violated Virginia Code § 38.2-1813 by failing to hold collected premiums in a fiduciary capacity and account for and pay the premiums to an insurer when due;

IT FURTHER APPEARING that the Commission is authorized by Virginia Code §§ 38.2-218, 38.2-219 and 38.2-1831 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 16, 1992 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; 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 revoking Defendant's license to transact the business of insurance in the Commonwealth of Virginia,

THE COMMISSION is of the opinion and finds that Defendant has violated Virginia Code § 38.2-1813 by failing to hold collected premiums in a fiduciary capacity and account for and pay the premiums to an insurer when due;

THEREFORE, IT IS ORDERED:

(1) That the license of Defendant to transact the business of insurance as an agent in the Commonwealth of Virginia be, and it is hereby, revoked;

(2) That all appointments issued under said license be, and they are hereby, void;

(3) That Defendant transact no further business in the Commonwealth of Virginia as an insurance agent;

(4) That 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

(5) That the papers herein be placed in the file for ended causes.

CASE NO. INS920423
MARCH 11, 1993

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
KENNETH M. ATKINS,
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 a life and health agent, in certain instances, violated Virginia Code § 38.2-504 by knowingly making, publishing, disseminating, circulating or placing before the public a statement or representation relating to the business of insurance or any person in the conduct of his insurance business which was untrue, deceptive or misleading;

IT FURTHER APPEARING that the Commission is authorized by Virginia Code §§ 38.2-218, 38.2-219 and 38.2-1831 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, 1993, 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; 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 revoking Defendant's license to transact the business of insurance in the Commonwealth of Virginia,

THE COMMISSION is of the opinion and finds that Defendant has violated Virginia Code § 38.2-504 by knowingly making, publishing, disseminating, circulating or placing before the public a statement or representation relating to the business of insurance or any person in the conduct of his insurance business which was untrue, deceptive or misleading;

THEREFORE, IT IS ORDERED:

(1) That the license of Defendant to transact the business of insurance as an agent in the Commonwealth of Virginia be, and it is hereby, revoked;

(2) That all appointments issued under said license be, and they are hereby, void;

(3) That Defendant transact no further business in the Commonwealth of Virginia as an insurance agent;

(4) That 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) That 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

(5) That the papers herein be placed in the file for ended causes.

CASE NO. INS920425
JANUARY 5, 1993

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
GENERAL ACCIDENT INSURANCE COMPANY OF AMERICA
THE CAMDEN FIRE INSURANCE ASSOCIATION
AND
PENNSYLVANIA GENERAL INSURANCE COMPANY,
Defendant

SETTLEMENT ORDER

IT APPEARING from a market conduct examination conducted 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 certain provisions of the Code of Virginia; to wit: General Accident Insurance Company of America violated Virginia Code §§ 38.2-231, 38.2-304, 38.2-305, 38.2-610, 38.2-1905, 38.2-1906, 38.2-1908, 38.2-2005, 38.2-2014, 38.2-2104, 38.2-2113, 38.2-2114, 38.2-2120, 38.2-2202, 38.2-2206, 38.2-2208, 38.2-2212, 38.2-2220, 38.2-2224 and 38.2-510.A.10, as well as, Sections 4.4 and 4.5 of the Commission's Rules Governing Insurance Premium Finance Companies and Section 9(d) of the Commission's Rules Governing Unfair Claim Settlement Practices; The Camden Fire Insurance Association violated Virginia Code §§ 38.2-1905, 38.2-2014, 38.2-2208, 38.2-2220 and 38.2-2224, as well as, Section 9(d) of the Commission's Rules Governing Unfair Claim Settlement Practices; Pennsylvania General Insurance Company violated Virginia Code §§ 38.2-304, 38.2-305, 38.2-510.A.10, 38.2-610, 38.2-612, 38.2-1908, 38.2-2014, 38.2-2104, 38.2-2113, 38.2-2114, 38.2-2120, 38.2-2202, 38.2-2208, 38.2-2212, 38.2-2220 and 38.2-2224, as well as Section 9(d) of the Commission's Rules Governing Unfair Claim Settlement Practices;

IT FURTHER APPEARING that the Commission is authorized by Virginia Code §§ 38.2-218, 38.2-219 and 38.2-1040 to impose certain monetary penalties, issue cease and desist orders and to suspend or revoke Defendants' licenses upon a finding by 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 have made an offer of settlement to the Commission wherein Defendants have tendered to the Commonwealth of Virginia the sum of fourteen thousand five hundred dollars ($14,500), 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 Virginia Code § 12.1-15,

IT IS ORDERED:

(1) That the offer of Defendants in settlement of the matter set forth herein be, and it is hereby, accepted;

(2) That Defendant, General Accident Insurance Company of America, cease and desist from any conduct which constitutes a violation of Virginia Code §§ 38.2-231, 38.2-304, 38.2-305, 38.2-610, 38.2-1905, 38.2-1906, 38.2-1908, 38.2-2005, 38.2-2014, 38.2-2104, 38.2-2113, 38.2-2114, 38.2-2120, 38.2-2202, 38.2-2206, 38.2-2208, 38.2-2212, 38.2-2220, 38.2-2224 and 38.2-510.A.10, as well as, Sections 4.4 and 4.5 of the Commission's Rules Governing Insurance Premium Finance Companies and Section 9(d) of the Commission's Rules Governing Unfair Claim Settlement Practices;

(3) That Defendant, The Camden Fire Insurance, cease and desist from any conduct which constitutes a violation of Virginia Code §§ 38.2-1905, 38.2-2014, 38.2-2208, 38.2-2220 and 38.2-2224, as well as Section 9(d) of the Commission's Rules Governing Unfair Claim Settlement Practices;

(4) That Defendant, Pennsylvania General Insurance Company, cease and desist from any conduct which constitutes a violation of Virginia Code §§ 38.2-304, 38.2-305, 38.2-510.A.10, 38.2-610, 38.2-612, 38.2-1908, 38.2-2014, 38.2-2104, 38.2-2113, 38.2-2114, 38.2-2120, 38.2-2202, 38.2-2208, 38.2-2212, 38.2-2220 and 38.2-2224, as well as Section 9(d) of the Commission's Rules Governing Unfair Claim Settlement Practices; and

(5) That the papers herein be placed in the file for ended causes.

CASE NO. INS920427
JANUARY 15, 1993

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
EDWARD MICHAEL ZINNER,
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 a life and health agent, in certain instances, violated Virginia Code § 38.2-1802 by soliciting, negotiating, procuring or effecting contracts of insurance with an insurer not licensed to transact the business of insurance in the Commonwealth of Virginia;

IT FURTHER APPEARING that the Commission is authorized by Virginia Code §§ 38.2-218, 38.2-219 and 38.2-1831 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 10, 1992 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; 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 revoking Defendant's license to transact the business of insurance in the Commonwealth of Virginia,

THE COMMISSION is of the opinion and finds that Defendant has violated Virginia Code § 38.2-1802 by soliciting, negotiating, procuring or effecting contracts of insurance with an insurer not licensed to transact the business of insurance in the Commonwealth of Virginia;

THEREFORE, IT IS ORDERED:

(1) That the license of Defendant to transact the business of insurance as an agent in the Commonwealth of Virginia be, and it is hereby, revoked;

(2) That all appointments issued under said license be, and they are hereby, void;

(3) That Defendant transact no further business in the Commonwealth of Virginia as an insurance agent;

(4) That 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

(5) That the papers herein be placed in the file for ended causes.

CASE NO. INS920440
JANUARY 13, 1993

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
HEALTHPLUS INC.,
Defendant

SETTLEMENT ORDER

IT APPEARING from a market conduct examination conducted 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 Virginia Code §§ 38.2-316, 38.2-502.1, 38.2-510.A.5, 38.2-510.A.14, 38.2-511, 38.2-1318.B, 38.2-1812, 38.2-1833, 38.2-1834.C, 38.2-3405, 38.2-3418, 38.2-4301.C, 38.2-4304.B, 38.2-4306.A.2, 38.2-4306.B.1, 38.2-4311.B, 38.2-4312.A.1 and 38.2-4312.A.2, as well as, Sections 4, 5.A, 5.B, 6.A, 6.B, 7, 9.C, 10.B, 11, 13.A, 17.A and 17.B of the Commission's Rules Governing Advertisement of Accident and Sickness Insurance and Sections 6.C.2, 8.A.1(b), 8.B.1, 8.C.3, 8.H.2, 12.A and 13 of the Commission's Rules Governing Health Maintenance Organizations;

IT FURTHER APPEARING that the Commission is authorized by Virginia Code §§ 38.2-218, 38.2-219 and 38.2-4316 to impose certain monetary penalties, issue cease and desist orders and to suspend or revoke Defendant's license upon a finding by 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 has made an offer of settlement to the Commission wherein Defendant has tendered to the Commonwealth of Virginia the sum of forty-five thousand dollars ($45,000), 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 Virginia Code § 12.1-15,

IT IS ORDERED:

(1) That the offer of Defendant in settlement of the matter set forth herein be, and it is hereby, accepted;

(2) That Defendant cease and desist from any conduct which constitutes a violation of Virginia Code §§ 38.2-316, 38.2-502.1, 38.2-510.A.5, 38.2-510.A.14, 38.2-511, 38.2-1318.B, 38.2-1812, 38.2-1833, 38.2-1834.C, 38.2-3405, 38.2-3418, 38.2-4301.C, 38.2-4304.B, 38.2-4306.A.2, 38.2-4306.B.1, 38.2-4311.B, 38.2-4312.A.1 or 38.2-4312.A.2, as well as, Sections 4, 5.A, 5.B, 6.A, 6.B, 7, 9.C, 10.B, 11, 13.A, 17.A and 17.B of the Commission's Rules Governing Advertisement of Accident and Sickness Insurance and Sections 6.C.2, 8.A.1(b), 8.B.1, 8.C.3, 8.H.2, 12.A and 13 of the Commission's Rules Governing Health Maintenance Organizations; and

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

CASE NO. INS920447
MARCH 3, 1993

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
GUIDO A. SEGURA,
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 a life and health agent, in a certain instance, violated Virginia Code § 38.2-1826 by failing to report timely to the Commission a change in residence;

IT FURTHER APPEARING that the Commission is authorized by Virginia Code §§ 38.2-218, 38.2-219 and 38.2-1831 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 22, 1992, 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; 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 revoking Defendant's license to transact the business of insurance in the Commonwealth of Virginia,

THE COMMISSION is of the opinion and finds that Defendant has violated Virginia Code § 38.2-1826 by failing to report timely to the Commission any change in residence or name;

THEREFORE, IT IS ORDERED:

(1) That the license of Defendant to transact the business of insurance as an agent in the Commonwealth of Virginia be, and it is hereby, revoked;

(2) That all appointments issued under said license be, and they are hereby, void;

(3) That Defendant transact no further business in the Commonwealth of Virginia as an insurance agent;

(4) That 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) That 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) That the papers herein be placed in the file for ended causes.

CASE NO. INS920449
FEBRUARY 8, 1993

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
CIGNA HEALTHPLAN, INC.,
Defendant

SETTLEMENT ORDER

IT APPEARING from a market conduct examination conducted 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 Virginia Code §§ 38.2-316.A, 38.2-316.B, 38.2-502.1, 38.2-510.A.5, 38.2-510.A.14, 38.2-511, 38.2-1318.B, 38.2-1812.A, 38.2-1822, 38.2-1833.A.1, 38.2-3401.1.B, 38.2-4304.B, 38.2-4306, 38.2-4306.B.1, 38.2-4308.A, 38.2-4308.B, 38.2-4311.A, 38.2-4312.A.2 and 38.2-4313, as well as, Sections 5.A, 6.A, 6.B.1, 13.A, 16, 17.A and 17.B of the Commission's Rules Governing Advertisement of Accident and Sickness Insurance and Section 8.C.3, 12.A and 13.B of the Commission's Rules Governing Health Maintenance Organizations;

IT FURTHER APPEARING that the Commission is authorized by Virginia Code §§ 38.2-218, 38.2-219 and 38.2-4316 to impose certain monetary penalties, issue cease and desist orders and to suspend or revoke Defendant's license upon a finding by 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 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 Virginia Code § 12.1-15,

IT IS ORDERED:

(1) That the offer of Defendant in settlement of the matter set forth herein be, and it is hereby, accepted; and

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

CASE NO. INS930005
MARCH 24, 1993

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
THE CONTINENTAL INSURANCE COMPANY,
THE FIDELITY AND CASUALTY COMPANY OF NEW YORK,
THE GLENS FALLS INSURANCE COMPANY,
and
NIAGARA FIRE INSURANCE COMPANY,
Defendants

SETTLEMENT ORDER

IT APPEARING from a market conduct examination conducted 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 certain provisions of the Code of Virginia; to wit: The Continental Insurance Company violated Virginia Code §§ 38.2-304, 38.2-305, 38.2-1906, 38.2-1908 and 38.2-2014; The Fidelity and Casualty Company of New York violated Virginia Code § 38.2-1908; The Glens Falls Insurance Company violated Virginia Code §§ 38.2-304, 38.2-305, 38.2-1908 and 38.2-2014, as well as, Sections 4.4 and 4.5 of the Commission's Rules Governing Insurance Premium Finance Companies; and Niagara Fire Insurance Company violated Virginia Code § 38.2-1908;

IT FURTHER APPEARING that the Commission is authorized by Virginia Code §§ 38.2-218, 38.2-219 and 38.2-1040 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 have made an offer of settlement to the Commission wherein Defendants have tendered to the Commonwealth of Virginia the sum of nine thousand dollars ($9,000), 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 Virginia Code § 12.1-15,

IT IS ORDERED:

(1) That the offer of Defendants in settlement of the matter set forth herein be, and it is hereby, accepted;

(2) That Defendant, The Continental Insurance Company, cease and desist from any conduct which constitutes a violation of Virginia Code §§ 38.2-304, 38.2-305, 38.2-1906, 38.2-1908 or 38.2-2014;

(3) That Defendant, The Fidelity and Casualty Company of New York, cease and desist from any conduct which constitutes a violation of Virginia Code § 38.2-1908;

(4) That Defendant, The Glens Falls Insurance Company, cease and desist from any conduct which constitutes a violation of Virginia Code §§ 38.2-304, 38.2-305, 38.2-1908 or 38.2-2014, as well as, Sections 4.4 and 4.5 of the Commission's Rules Governing Insurance Premium Finance Companies;

(5) That Defendant, Niagara Fire Insurance Company, cease and desist from any conduct which constitutes a violation of Virginia Code § 38.2-1908; and

(6) That the papers herein be placed in the file for ended causes.

CASE NO. INS930007
FEBRUARY 5, 1993

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
ATLANTA CASUALTY INSURANCE COMPANY
AND
AMERICAN PREMIER INSURANCE COMPANY,
Defendants

SETTLEMENT ORDER

IT APPEARING from a market conduct examination conducted by the Bureau of Insurance that Defendants, duly licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia, in a certain instances, violated certain provisions of the Code of Virginia; to wit: Atlanta Casualty Insurance Company violated Virginia Code §§ 38.2-305, 38.2-510.A.10, 38.2-511, 38.2-610, 38.2-1812, 38.2-1822, 38.2-1833, 38.2-1905, 38.2-1906, 38.2-2208, 38.2-2212, 38.2-2214, 38.2-2220 and Section 4 of the Commission's Rules Governing Unfair Claim Settlement Practices; and American Premier Insurance Company violated Virginia Code §§ 38.2-305, 38.2-511, 38.2-610, 38.2-1906, 38.2-2208, 38.2-2212, 38.2-2214 and 38.2-2220;

IT FURTHER APPEARING that the Commission is authorized by Virginia Code §§ 38.2-218, 38.2-219 and 38.2-1040 to impose certain monetary penalties, issue cease and desist orders and to suspend or revoke Defendants' licenses upon a finding by 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 have made an offer of settlement to the Commission wherein Defendants have tendered to the Commonwealth of Virginia the sum of nine thousand five hundred dollars ($9,500), 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 Virginia Code § 12.1-15,

IT IS ORDERED:

(1) That the offer of Defendants in settlement of the matter set forth herein be, and it is hereby, accepted;

(2) That Defendant, Atlanta Casualty Insurance Company, cease and desist from any conduct which constitutes a violation of Virginia Code §§ 38.2-305, 38.2-510.A.10, 38.2-511, 38.2-610, 38.2-1812, 38.2-1822, 38.2-1833, 38.2-1905, 38.2-1906, 38.2-2208, 38.2-2212, 38.2-2214, 38.2-2220 or Section 4 of the Commission's Rules Governing Unfair Claim Settlement Practices;

(3) That Defendant, American Premier Insurance Company, cease and desist from any conduct which constitutes a violation of Virginia Code §§ 38.2-305, 38.2-511, 38.2-610, 38.2-1906, 38.2-2208, 38.2-2212, 38.2-2214 or 38.2-2220; and

(4) That the papers herein be placed in the file for ended causes.

CASE NO. INS930008
MARCH 24, 1993

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
FEDERAL INSURANCE COMPANY,
VIGILANT INSURANCE COMPANY,
PACIFIC INDEMNITY COMPANY,
GREAT NORTHERN INSURANCE COMPANY,
SUN INSURANCE OFFICE LIMITED,
and
THE SEA INSURANCE COMPANY LIMITED,
Defendants

SETTLEMENT ORDER

IT APPEARING from a market conduct examination conducted 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 certain provisions of the Code of Virginia; to wit: Federal Insurance Company violated Virginia Code §§ 38.2-231, 38.2-304, 38.2-305.A.6, 38.2-305.A.10, 38.2-610, 38.2-1906.B, 38.2-1908.B, 38.2-2014, 38.2-2113, 38.2-2114, 38.2-2120, 38.2-2206, 38.2-2208, 38.2-2210, 38.2-2212, 38.2-2220, 38.2-2223 and 38.2-2224, as well as, Sections 4.4 and 4.5 of the Commission's Rules Governing Insurance Premium Finance Companies and Sections 4 and 9(d) of the Commission's Rules Governing Unfair Claim Settlement Practices; Vigilant Insurance Company violated Virginia Code §§ 38.2-304, 38.2-510.A.10, 38.2-1906.B, 38.2-1908.B, 38.2-2014, 38.2-2113, 38.2-2114, 38.2-2118, 38.2-2120, 38.2-2208, 38.2-2210, 38.2-2212, 38.2-2220, 38.2-2223 and 38.2-2224, as well as, Section 4 of the Commission's Rules Governing Unfair Settlement Practices; Pacific Indemnity Company violated Virginia Code §§ 38.2-510.A.10, 38.2-1906.B, 38.2-1908.B, 38.2-2014, 38.2-2213, 38.2-2120, 38.2-2208, 38.2-2210, 38.2-2212, 38.2-2220, 38.2-2223 and 38.2-2224, as well as, Section 4 of the Commission's Rules Governing Unfair Claim Settlement Practices; Great Northern Insurance Company violated Virginia Code § 38.2-231; Sun Insurance Office Limited violated Virginia Code §§ 38.2-510.A.10, 38.2-511, 38.2-1906.B, 38.2-1908.B, 38.2-2206, 38.2-2208, 38.2-2210, 38.2-2212, 38.2-2220, 38.2-2223 and 38.2-2224, as well as, Section 4 of the Commission's Rules Governing Unfair Claim Settlement Practices; The Sea Insurance Company Limited violated Virginia Code § 38.2-305.A.6, 38.2-1908.B, 38.2-2014, 38.2-2208, 38.2-2210, 38.2-2212 and 38.2-2220, as well as, Sections 4 and 9(d) of the Commission's Rules Governing Unfair Claim Settlement Practices;

IT FURTHER APPEARING that the Commission is authorized by Virginia Code §§ 38.2-218, 38.2-219 and 38.2-1040 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 have made an offer of settlement to the Commission wherein Defendants have tendered to the Commonwealth of Virginia the sum of eighteen thousand five hundred dollars ($18,500) and have waived their 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 Virginia Code § 12.1-15,

IT IS ORDERED:

(1) That the offer of Defendant in settlement of the matter set forth herein be, and it is hereby, accepted; and

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

CASE NO. INS930010
JANUARY 21, 1993

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

ORDER SUSPENDING LICENSE

WHEREAS, Virginia Code § 38.2-1040 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; and

WHEREAS, by letter filed herein, Defendant consented to a voluntary suspension of Defendant's license to transact the business of insurance in the Commonwealth of Virginia;

THEREFORE, IT IS ORDERED:

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

(2) That the Defendant shall issue no new contracts or policies of insurance in the Commonwealth of Virginia until further order of the Commission;

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

(4) That 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) That 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) That the Bureau of Insurance cause notice of the suspension of Defendant's license to be published in the manner set forth in Virginia Code § 38.2-1043.

CASE NO. INS930010
FEBRUARY 9, 1993

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

VACATING ORDER

GOOD CAUSE having been shown, the order entered herein January 21, 1993 is hereby vacated.

CASE NO. INS930010
FEBRUARY 12, 1993

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

AMENDED ORDER SUSPENDING LICENSE

WHEREAS, Virginia Code § 38.2-1040 provides that the Commission may suspend or revoke the license of any insurance company to transact the business of insurance in the Commonwealth of Virginia; and

WHEREAS, by letter filed herein, Defendant consented to a voluntary suspension of Defendant's authority to write new insurance business in the Commonwealth of Virginia until further order of the Commission;

THEREFORE, IT IS ORDERED:

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

(2) That the Defendant shall issue no new contracts or policies of insurance in the Commonwealth of Virginia until further order of the Commission;

(3) That Defendant may continue to issue renewal policies and extended reporting ("tail") coverage;

(4) That the appointments of Defendant's agents to act on behalf of Defendant, with respect to new or contracts or policies of insurance, in the Commonwealth of Virginia be, and they are hereby, SUSPENDED;

(5) That Defendant's agents shall transact no new insurance business on behalf of Defendant in the Commonwealth of Virginia until further order of the Commission;

(6) That 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

(7) That the Bureau of Insurance cause notice of the suspension of Defendant's license to be published in the manner set forth in Virginia Code § 38.2-1043.

CASE NO. INS930011
JANUARY 26, 1993

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
DIANA BARLOW SHORTER,
Defendant

ORDER TO TAKE NOTICE

WHEREAS, Virginia Code § 38.2-219 provides that the Commission shall have the authority to issue cease and desist orders for violations or attempted violations of the insurance title or any rule, regulation, or order issued by the Commission under the insurance title;

WHEREAS, Virginia Code § 38.2-1822 provides that no person shall act, and no insurer or licensed agent shall knowingly permit a person to act, in this Commonwealth as an agent of an insurer licensed to transact the business of insurance in this Commonwealth without first obtaining a license in a manner and in a form prescribed by the Commission;

WHEREAS, based on an investigation conducted by the Bureau of Insurance, it appears that Defendant has acted or is acting as an insurance agent in the Commonwealth of Virginia without first obtaining a license from the Commission;

THEREFORE, IT IS ORDERED that Defendant TAKE NOTICE that the Commission shall enter a cease and desist order subsequent to February 8, 1993, ordering Defendant to cease and desist from acting as an insurance agent in the Commonwealth of Virginia unless on or before February 8, 1993, Defendant files with the Clerk of the Commission, Document Control Center, P.O. Box 2118, Richmond, Virginia 23216, a responsive pleading to object to the entry of the aforesaid order and a request for a hearing.

CASE NO. INS930011
FEBRUARY 18, 1993

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
DIANA BARLOW SHORTER,
Defendant

AMENDED ORDER TO TAKE NOTICE

WHEREAS, Virginia Code § 38.2-219 provides that the Commission shall have the authority to issue cease and desist orders for violations or attempted violations of the insurance title or any rule, regulation, or order issued by the Commission under the insurance title or any rule, regulation, or order issued by the Commission under the insurance title;

WHEREAS, Virginia Code § 38.2-1822 provides that no person shall act, and no insurer or licensed agent shall knowingly permit a person to act, in this Commonwealth as an agent of an insurer licensed to transact the business of insurance in this Commonwealth without first obtaining a license in a manner and in a form prescribed by the Commission;

WHEREAS, based on an investigation conducted by the Bureau of Insurance, it appears that Defendant has acted or is acting as an insurance agent in the Commonwealth of Virginia without first obtaining a license from the Commission;

THEREFORE, IT IS ORDERED that Defendant TAKE NOTICE that the Commission shall enter a cease and desist order subsequent to March 1, 1993, ordering Defendant to cease and desist from acting as an insurance agent in the Commonwealth of Virginia unless on or before March 1, 1993, Defendant files with the Clerk of the Commission, Document Control Center, P.O. Box 2118, Richmond, Virginia 23216, a responsive pleading to object to the entry of the aforesaid order and a request for a hearing.

CASE NO. INS930011
MAY 5, 1993

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
DIANA BARLOW SHORTER,
Defendant

CEASE AND DESIST ORDER

WHEREAS, by order entered herein February 18, 1993, Defendant was ordered to TAKE NOTICE that the Commission would enter a cease and desist order subsequent to March 1, 1993, ordering Defendant to cease and desist from acting as an insurance agent in the Commonwealth of Virginia unless on or before March 1, 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 as of the date of this order, Defendant has failed to file a responsive pleading or a request for a hearing;

THEREFORE, IT IS ORDERED that Defendant cease and desist from soliciting, negotiating, procuring or effecting contracts or policies of insurance in the Commonwealth of Virginia.

CASE NO. INS930018
JANUARY 29, 1993

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
COASTAL STATES LIFE INSURANCE COMPANY,
Defendant

ORDER SUSPENDING LICENSE

WHEREAS, by order dated January 14, 1993, the Commissioner of Insurance of the State of Georgia (i) found that there was a deficit in the amount of approximately $9.125 million dollars in the statutory capital and surplus of Coastal States Life Insurance Company ("CLICO"), a Georgia-domiciled life insurance company licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia and (ii) revoked the certificate of authority of CLICO to transact the business of insurance in the State of Georgia;

IT IS ORDERED:

(1) That, pursuant to Virginia Code §§ 38.2-1040 and 38.2-1041, the license of CLICO to transact the business of insurance in the Commonwealth of Virginia be, and it is hereby, SUSPENDED until further order of the Commission;

(2) That, pursuant to Virginia § 38.2-1042, the licenses of CLICO's agents to transact the business of insurance on behalf of CLICO in the Commonwealth of Virginia be, and they are hereby, SUSPENDED until further order of the Commission;

(3) That, pursuant to Virginia Code § 38.2-1043, neither CLICO nor any of its agents, licensed or otherwise, shall write any new business in this Commonwealth until further order of the Commission; and

(4) That CLICO shall TAKE NOTICE that subsequent to February 10, 1993, the Commission shall enter an order revoking the license of CLICO to transact the business of insurance in the Commonwealth of Virginia unless, on or before February 10, 1993, CLICO files with the Clerk of this Commission a request in writing for a hearing before the Commission on the proposed revocation of CLICO's license to transact the business of insurance in the Commonwealth of Virginia.

CASE NO. INS930018
FEBRUARY 19, 1993

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
COASTAL STATES LIFE INSURANCE COMPANY,
Defendant

ORDER REVOKING LICENSE

WHEREAS, by order entered herein January 29, 1993, Defendant's license to transact the business of insurance in the Commonwealth of Virginia was suspended and Defendant was ordered to take notice that subsequent to February 10, 1993, the Commission would enter an order revoking the license of Defendant to transact the business of insurance in the Commonwealth of Virginia unless, on or before February 10, 1993, Defendant filed with the Clerk of the Commission a request in writing for a hearing before the Commission on the proposed revocation of Defendant's license; and

WHEREAS, as of the date of this order, Defendant has failed to file a written request for a hearing;

THEREFORE, IT IS ORDERED:

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

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

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

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

CASE NO. INS930020
APRIL 28, 1993

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
REX HUFF, SR.,
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 a life and health agent, in certain instances, violated Virginia Code § 38.2-1802.A by soliciting, negotiating, procuring or effecting contracts of insurance on behalf of an insurer which was not licensed to transact the business of insurance in the Commonwealth of Virginia;

IT FURTHER APPEARING that the Commission is authorized by Virginia Code §§ 38.2-218, 38.2-219 and 38.2-1831 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 29, 1993 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; 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 revoking Defendant's license to transact the business of insurance in the Commonwealth of Virginia,

THE COMMISSION is of the opinion and finds that Defendant has violated Virginia Code § 38.2-1802.A by soliciting, negotiating, procuring or effecting contracts of insurance on behalf of an insurer which was not licensed to transact the business of insurance in the Commonwealth of Virginia;

THEREFORE, IT IS ORDERED:

(1) That the license of Defendant to transact the business of insurance as an agent in the Commonwealth of Virginia be, and it is hereby, revoked;

(2) That all appointments issued under said license be, and they are hereby, void;

(3) That Defendant transact no further business in the Commonwealth of Virginia as an insurance agent;

(4) That 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

(5) That the papers herein be placed in the file for ended causes.

CASE NO. INS930020
MAY 6, 1993

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
REX HUFF, SR.,
Defendant

VACATING ORDER

GOOD CAUSE having been shown, the Order Revoking License entered herein April 28, 1993, is hereby vacated.

CASE NO. INS930022
MARCH 11, 1993

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
FRANCISCO B. FERRER,
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 a life and health agent, in certain instances, violated Virginia Code § 38.2-1802.A by soliciting, negotiating, procuring or effecting contracts of insurance on behalf of an insurer which was not licensed to transact the business of insurance in the Commonwealth of Virginia;

IT FURTHER APPEARING that the Commission is authorized by Virginia Code §§ 38.2-218, 38.2-219 and 38.2-1831 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 February 3, 1993, 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; 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 revoking Defendant's license to transact the business of insurance in the Commonwealth of Virginia,

THE COMMISSION is of the opinion and finds that Defendant has violated Virginia Code § 38.2-1802.A by soliciting, negotiating, procuring or effecting contracts of insurance on behalf of an insurer which was not licensed to transact the business of insurance in the Commonwealth of Virginia;

THEREFORE, IT IS ORDERED:

(1) That the license of Defendant to transact the business of insurance as an agent in the Commonwealth of Virginia be, and it is hereby, revoked;

(2) That all appointments issued under said license be, and they are hereby, void;

(3) That Defendant transact no further business in the Commonwealth of Virginia as an insurance agent;

(4) That 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) That 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) That the papers herein be placed in the file for ended causes.

CASE NOS. INS930048, INS910068, INS920085, and INS920086
APRIL 29, 1993

STEVEN T. FOSTER, INSURANCE COMMISSIONER,
BUREAU OF INSURANCE, STATE CORPORATION COMMISSION,
AS DEPUTY RECEIVER OF
FIDELITY BANKERS LIFE INSURANCE COMPANY,
Petitioner,
v.
EDWARD D. SIMON AND CHARLES P. WILLIAMS,
Defendants

PETITIONS OF
EDWARD D. SIMON AND CHARLES P. WILLIAMS

For Review of Deputy Receiver's Determinations of Appeal

PETITION OF
EDWARD D. SIMON,

For Review of Deputy Receiver's Determination of Appeal

PETITION OF
EDWARD D. SIMON,
CHARLES P. WILLIAMS,
EDWARD L. KURTZ,
HEINZ A. BRIEGEL,
FLOYD T. JOYNER, JR.,
T. CHANDLER MARTIN, JR.

For Review of Deputy Receiver's Determination of Appeal

ORDER

The Commissioner of Insurance, as Deputy Receiver of Fidelity Bankers Life Insurance Company, by counsel, and Edward D. Simon and Charles P. Williams, by counsel, have jointly moved for the adoption of supplemental rules of practice and procedure in the above-styled cases.

NOW, THEREFORE, having determined that good cause exists for the use of such supplemental rules,

IT IS HEREBY ORDERED:

(1) That the Rules of Practice and Procedure of the State Corporation Commission ("SCC Rules") shall be supplemented, as appropriate, by Parts One, Two, Three and Four of the Rules of the Supreme Court of Virginia ("Supplemental Rules"), in the trial and pretrial proceedings in Cases Nos. INS910068, 920085, 920086, and 930048. The procedures applicable to Case No. INS910068, the main case relating to the delinquency proceeding for Fidelity Bankers Life Insurance Company, are modified by this Order only to the extent that claims made therein by Edward D. Simon or Charles P. Williams are being or will be adjudicated. All questions as to the appropriateness of the Supplemental Rules and all conflicts between the SCC Rules and the Rules of the Supreme Court of Virginia shall be resolved by the Commission;

(2) That, for purposes of Paragraph 1 above, all references in the Rules of the Supreme Court of Virginia to the "Court" shall be deemed to refer to the State Corporation Commission. All references to the "Judge" shall be deemed to refer to the Commissioners of the State Corporation Commission. All references to the "plaintiff" shall be deemed to refer to the petitioner in the relevant case. All references to the "defendant" shall be deemed to refer to the defendant or respondent in the relevant case; and

(3) That the parties are encouraged to reach reasonable accommodations as to procedures in these cases, and to enter into any stipulations consistent with the SCC Rules and the Supplemental Rules. No motion relating to disputes over applicable procedures shall be made to the Commission unless the attorney for the movant certifies in writing that he has conferred with counsel for the opposing party and has been unsuccessful in resolving the disputed matter.

CASE NOS. INS930048, INS910068, INS920085, and INS920086
JUNE 3, 1993

STEVEN T. FOSTER, INSURANCE COMMISSIONER,
BUREAU OF INSURANCE, STATE CORPORATION
COMMISSION, AS DEPUTY RECEIVER OF FIDELITY
BANKERS LIFE INSURANCE COMPANY,
Petitioner,
v.
EDWARD D. SIMON AND CHARLES P. WILLIAMS,
Defendants

PETITIONS OF
EDWARD D. SIMON AND CHARLES P. WILLIAMS

For Review of Deputy Receiver's Determinations of Appeal

PETITION OF
EDWARD D. SIMON,

For Review of Deputy Receiver's Determination of Appeal

PETITION OF
EDWARD D. SIMON,
CHARLES P. WILLIAMS,
EDWARD L. KURTZ,
HEINZ A. BRIEGEL,
FLOYD T. JOYNER, JR.,
T. CHANDLER MARTIN, JR.

For Review of Deputy Receiver's Determination of Appeal

ORDER GRANTING MOTION FOR PROTECTIVE ORDER

ON MOTION of Deputy Receiver Steven T. Foster, by his counsel, counsel for the other parties in the above-styled proceedings having joined therein, and for good cause shown,

IT IS ORDERED:

(1) That only the witness, the witness's counsel, the parties, their counsel, and a court reporter may be present at any depositions in the above-styled proceedings, except as otherwise agreed in writing by the parties or their counsel, or as ordered by the Commission; and

(2) That all discovery, including the matters and issues involved therein, conducted in these proceedings, including but not limited to depositions, interrogatories, requests for admission, and requests for production, remain strictly confidential and not be disclosed to nonparties, except as agreed in writing by the parties or their counsel, or as ordered by the Commission.

CASE NO. INS930051
FEBRUARY 19, 1993

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
KENTUCKY CENTRAL LIFE INSURANCE COMPANY,
Defendant

ORDER TO TAKE NOTICE

WHEREAS, Virginia Code § 38.2-1040 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 February 12, 1993, the Circuit Court for Franklin County, Kentucky, found that the further transaction of business by Defendant would be hazardous, financially or otherwise, to its policyholders, its creditors, or the public and appointed the Insurance Commissioner of the Commonwealth of Kentucky to be the Rehabilitator of Defendant; and

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

THEREFORE, IT IS ORDERED that Defendant TAKE NOTICE that the Commission shall enter an order subsequent to March 1, 1993, suspending the license of Defendant to transact the business of insurance in the Commonwealth of Virginia unless on or before March 1, 1993, 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. INS930051
MARCH 3, 1993

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
KENTUCKY CENTRAL LIFE INSURANCE COMPANY,
Defendant

ORDER SUSPENDING LICENSE

WHEREAS, for the reasons stated in an order entered herein February 19, 1993, Defendant was ordered to take notice that the Commission would enter an order subsequent to March 1, 1993, suspending the license of the Defendant to transact the business of insurance in the Commonwealth of Virginia unless on or before March 1, 1993, 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:

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

(2) That the Defendant shall issue no new contracts or policies of insurance in the Commonwealth of Virginia until further order of the Commission;

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

(4) That Defendant's agents shall transact no new insurance business on behalf of Defendants in the Commonwealth of Virginia until further order of the Commission;

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

CASE NO. INS930052
MARCH 1, 1993

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
DANIEL JONGDALE PARK,
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 a property and casualty agent, in certain instances, violated Virginia Code § 38.2-1813 and 38.2-1809 by failing to hold certain funds in a fiduciary capacity and by failing to account for and pay the funds to the insured, or his assignee, insurer or agent entitled to payment when due, and by failing to comply with a request for certain documents;

IT FURTHER APPEARING that the Commission is authorized by Virginia Code §§ 38.2-218, 38.2-219 and 38.2-1831 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 February 10, 1993, 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; 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 revoking Defendant's license to transact the business of insurance in the Commonwealth of Virginia,

THE COMMISSION is of the opinion and finds that Defendant has violated Virginia Code § 38.2-1813 and 38.2-1809 by failing to hold certain funds to the insured, or his assignee, insurer or agent entitled to payment when due, and by failing to comply with a request for certain documents;

THEREFORE, IT IS ORDERED:

(1) That the license of Defendant to transact the business of insurance as an agent in the Commonwealth of Virginia be, and it is hereby, revoked;

(2) That all appointments issued under said license be, and they are hereby, void;

(3) That Defendant transact no further business in the Commonwealth of Virginia as an insurance agent;

(4) That 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

(5) That the papers herein be placed in the file for ended causes.

CASE NO. INS930058
MARCH 31, 1993

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

SETTLEMENT ORDER

IT APPEARING from a market conduct examination conducted 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 Virginia Code §§ 38.2-502.1, 38.2-502.4, 38.2-502.6, 38.2-503, 38.2-504 and 38.2-1715, as well as, Sections V(1)(b), V(1)(d), V(1)(f), V(1)(g), V(3)(a), V(3)(b), V(3)(d), V(4)(b), V(4)(j), V(4)(k), V(4)(1), V(4)(m) and V(5)(c) of the Commission's Rules Governing Life Insurance and Annuity Marketing Practices;

IT FURTHER APPEARING that the Commission is authorized by Virginia Code §§ 38.2-218, 38.2-219 and 38.2-1040 to impose certain monetary penalties, issue cease and desist orders and to suspend or revoke Defendant's license upon a finding by 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 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 Virginia Code § 12.1-15,

IT IS ORDERED:

(1) That the offer of Defendant in settlement of the matter set forth herein be, and it is hereby, accepted; and

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

CASE NO. INS930059
MARCH 24, 1993

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
INTEGON GENERAL INSURANCE CORPORATION,
INTEGON INDEMNITY CORPORATION,
and
NEW SOUTH INSURANCE COMPANY,
Defendants

SETTLEMENT ORDER

IT APPEARING from a market conduct examination conducted 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 certain provisions of the Code of Virginia; to wit: Integon General Insurance Company violated Virginia Code §§ 38.2-511, 38.2-610, 38.2-1812, 38.2-2208, 38.2-2212 and 38.2-2220, as well as, Section 4.4 of the Commission's Rules Governing Insurance Premium Finance Companies; Integon Indemnity Corporation violated Virginia Code §§ 38.2-610, 38.2-1812, 38.2-2208 and 38.2-2220, as well as, Section 4.4 of the Commission's Rules Governing Insurance Premium Finance Companies; and New South Insurance Company violated Virginia Code §§ 38.2-511, 38.2-610, 38.2-1812, 38.2-1833, 38.2-2208, 38.2-2212 and 38.2-2220, as well as, Sections 4.4 and 4.5 of the Commission's Rules Governing Insurance Premium Finance Companies;

IT FURTHER APPEARING that the Commission is authorized by Virginia Code §§ 38.2-218, 38.2-219 and 38.2-1040 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 have made an offer of settlement to the Commission wherein Defendants have tendered to the Commonwealth of Virginia the sum of seven thousand dollars ($7,000), 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 Virginia Code § 12.1-15,

IT IS ORDERED:

(1) That the offer of Defendants in settlement of the matter set forth herein be, and it is hereby, accepted;

(2) That Defendant, Integon General Insurance Company, cease and desist from any conduct which constitutes a violation of Virginia Code §§ 38.2-511, 38.2-610, 38.2-1812, 38.2-2208, 38.2-2212 or 38.2-2220, as well as, Section 4.4 of the Commission's Rules Governing Insurance Premium Finance Companies;

(3) That Defendant, Integon Indemnity Corporation, cease and desist from any conduct which constitutes a violation of Virginia Code §§ 38.2-610, 38.2-1812, 38.2-2208 or 38.2-2220, as well as, Section 4.4 of the Commission's Rules Governing Insurance Premium Finance Companies;

(4) That Defendant, New South Insurance Company, cease and desist from any conduct which constitutes a violation of Virginia Code §§ 38.2-511, 38.2-610, 38.2-1812, 38.2-1833, 38.2-2208, 38.2-2212 or 38.2-2220, as well as Sections 4.4 and 4.5 of the Commission's Rules Governing Insurance Premium Finance Companies; and

(5) That the papers herein be placed in the file for ended causes.

CASE NO. INS930060
MARCH 15, 1993

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

ORDER TO TAKE NOTICE

WHEREAS, Virginia Code § 38.2-1040 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 February 9, 1993, in the Court of Chancery, New Castle County, Delaware, the Court found that sufficient cause existed to appoint the Insurance Commissioner of the State of Delaware the rehabilitator of Defendant; and

WHEREAS, the Bureau of Insurance has reviewed the financial condition of Defendant and has determined that the further transaction of business by Defendant in the Commonwealth of Virginia would be hazardous to its policyholders, creditors and public in this Commonwealth and, therefore, recommends to the Commission that the license of Defendant to transact the business of insurance in the Commonwealth of Virginia be suspended;

THEREFORE, IT IS ORDERED that Defendant TAKE NOTICE that the Commission shall enter an order subsequent to March 30, 1993, suspending the license of Defendant to transact the business of insurance in the Commonwealth of Virginia unless on or before March 30, 1993, 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. INS930060
APRIL 2, 1993

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

ORDER SUSPENDING LICENSE

WHEREAS, for the reasons stated in an order entered herein March 15, 1993, Defendant was ordered to take notice that the Commission would enter an order subsequent to March 30, 1993, suspending the license of Defendant to transaction the business of insurance in the Commonwealth of Virginia unless on or before March 30, 1993, 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:

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

(2) That Defendant shall issue no new contracts or policies of insurance in the Commonwealth of Virginia until further order of the Commission;

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

(4) That 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) That 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) That the Bureau of Insurance cause notice of the suspension of Defendant's license to be published in the manner set forth in Virginia Code § 38.2-1043.

CASE NO. INS930062
MARCH 15, 1993

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

IMPAIRMENT ORDER

WHEREAS, Inter-American Life Insurance 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 $500,000 and minimum surplus of $300,000;

WHEREAS, Virginia Code § 38.2-1036 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 December 31, 1992 Annual Statement of Defendant, filed with the Commission's Bureau of Insurance, indicates capital of $1,200,000, and surplus of $275,282;

IT IS ORDERED that, on or before May 14, 1993, Defendant eliminate the impairment in its surplus and restore the same to at least $300,000 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. INS930062
MAY 24, 1993

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

ORDER TO TAKE NOTICE

WHEREAS, Virginia Code § 38.2-1040 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 March 15, 1993, Defendant was ordered to eliminate the impairment in its surplus and restore the same to at least $300,000 and advise the Commission of the accomplishment thereof by affidavit of Defendant's president or other authorized officer on or before May 14, 1993; 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 June 1, 1993, suspending the license of Defendant to transact the business of insurance in the Commonwealth of Virginia unless on or before June 1, 1993, 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. INS930062
JUNE 4, 1993

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

ORDER SUSPENDING LICENSE

WHEREAS, for the reasons stated in an order entered herein May 24, 1993, Defendant was ordered to take notice that the Commission would enter an order subsequent to June 1, 1993, suspending the license of Defendant to transaction the business of insurance in the Commonwealth of Virginia unless on or before June 1, 1993, 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:

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

(2) That the Defendant shall issue no new contracts or policies of insurance in the Commonwealth of Virginia until further order of the Commission;

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

(4) That Defendant's agents shall transact no new insurance business on behalf of Defendants in the Commonwealth of Virginia until further order of the Commission;

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

CASE NO. INS930064
MARCH 25, 1993

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

IMPAIRMENT ORDER

WHEREAS, Kentucky Central Insurance Company, a foreign corporation domiciled in the State of Kentucky 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 $1,000,000;

WHEREAS, Virginia Code § 38.2-1036 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 December 31, 1992 Annual Statement of Defendant, filed with the Commission's Bureau of Insurance, indicates capital of $1,000,000, and surplus of $573,944, after certain adjustments were made to the annual statement;

IT IS ORDERED that, on or before May 25, 1993, Defendant eliminate the impairment in its surplus and restore the same to at least $1,000,000 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. INS930064
MAY 27, 1993

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

ORDER TO TAKE NOTICE

WHEREAS, Virginia Code § 38.2-1040 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 March 25, 1993, Defendant was ordered to eliminate the impairment in its surplus and restore the same to at least $1,000,000 and advise the Commission of the accomplishment thereof by affidavit of Defendant's president or other authorized officer on or before May 25, 1993; 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 June 8, 1993, suspending the license of Defendant to transact the business of insurance in the Commonwealth of Virginia unless on or before June 8, 1993, 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. INS930064
AUGUST 31, 1993

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

FINAL ORDER

WHEREAS, by order entered herein March 25, 1993, Defendant was ordered to eliminate the impairment in its surplus and restore the same to at least $1,000,000 and advise the Commission of the accomplishment thereof by affidavit of Defendant's president or other authorized officer;

WHEREAS, by order entered herein July 8, 1993, Defendant was ordered to appear in the Commission's Courtroom on September 14, 1993, and show cause, if any, why the Commission should not suspend Defendant's license to transact the business of insurance in the Commonwealth of Virginia, pursuant to Virginia Code § 38.2-1040, for failing to restore its surplus to the minimum amount required by Virginia law;

WHEREAS, by affidavit filed with the Commission by Defendant's vice president and controller, the Commission has been advised that the Defendant has restored its surplus to the minimum amount required by Virginia law;

WHEREAS, the Bureau of Insurance has recommended that the Impairment Order and the Rule to Show Cause entered by the Commission be vacated; and

THE COMMISSION, having considered the record herein and the recommendation of the Bureau of Insurance, is of the opinion that the Impairment Order and the Rule to Show Cause entered by the Commission should be, and they are hereby, VACATED.

CASE NO. INS930068
APRIL 2, 1993

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
AGWAY, INC. GROUP TRUST,
Defendant

CONSENT ORDER

AGWAY, INC. Group Trust, a multiple employer welfare arrangement operating in the Commonwealth of Virginia, has voluntarily agreed, until further order of the Commission, not to enroll into the Trust any new Virginia domiciled participants except for new employees of existing employer groups and newborn children or newly acquired dependents of existing participants;

THEREFORE, IT IS ORDERED that, until further order of the Commission, the Trust not enroll any new Virginia domiciled participants except for new employees of existing employer groups and newborn children or newly acquired dependents of existing participants.

CASE NO. INS930069
APRIL 6, 1993

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

IMPAIRMENT ORDER

WHEREAS, Investment Life Insurance Company of America, a foreign corporation domiciled in the State of North Carolina an licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia, is required to maintain minimum capital c $500,000 and minimum surplus of $300,000;

WHEREAS, Virginia Code § 38.2-1036 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 December 31, 1992 Amended Annual Statement of Defendant, filed with the Commission's Bureau of Insurance, indicates capital of $1,243,200, and surplus of ($854,063);

IT IS ORDERED that, on or before June 1, 1993, Defendant eliminate the impairment in its surplus and restore the same to at least $300,000 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. INS930069
JUNE 2, 1993

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

ORDER TO TAKE NOTICE

WHEREAS, Virginia Code § 38.2-1040 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 in a condition that any further transaction of business in this Commonwealth is hazardous to its policyholders, creditors, and public in t Commonwealth;

WHEREAS, by order entered herein April 6, 1993, Defendant was ordered to eliminate the impairment in its surplus and restore the same to at least $300,000 and advise the Commission of the accomplishment thereof by affidavit of Defendant's president or other authorized officer on or before June 1, 1993; 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 June 14, 1993, suspending the license of Defendant to transact the business of insurance in the Commonwealth of Virginia unless on or before June 14, 1993, 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. INS930069
JUNE 15, 1993

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

ORDER SUSPENDING LICENSE

WHEREAS, for the reasons stated in an order entered herein June 2, 1993, Defendant was ordered to take notice that the Commission would enter an order subsequent to June 14, 1993, suspending the license of Defendant to transaction the business of insurance in the Commonwealth of Virginia unless on or before June 14, 1993, 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:

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

(2) That the appointments of Defendant's agents to act on behalf of Defendant in the Commonwealth of Virginia be, and they are hereby SUSPENDED;

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

(4) That Defendant's agents shall transact no new insurance business on behalf of Defendant in the Commonwealth of Virginia;

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

CASE NO. INS930072
MAY 24, 1993

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
NATIONAL HOME INSURANCE COMPANY (A Risk Retention Group),
Defendant

PROTECTIVE ORDER

THE COMMISSION, having considered Defendant's request to keep certain proprietary information requested by the Bureau of Insurance in the above-captioned proceeding confidential, is of the opinion that a protective order should be entered by the Commission;

THEREFORE, IT IS ORDERED that the following documents or reports requested by the Bureau of Insurance (i) National Home Insurance Company's Confidential Plan of Abatement as filed on May 17, 1993 with the Colorado Division of Insurance and any amendments

thereto; (ii) the workpapers supporting Tillinghast's actuarial opinion submitted with National Home Insurance Company's 1992 Annual Statement; (iii) the Coopers & Lybrand analysis of the Tillinghast and Milliman & Robertson draft actuarial reports; and (iv) the Milliman & Robertson loss and loss adjustment expense reserve analysis at December 31, 1991, shall be forthwith filed with the Clerk of the Commission and once so filed shall not be released by the Clerk of the Commission to the public.

CASE NO. INS930072
JUNE 23, 1993

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
NATIONAL HOME INSURANCE COMPANY (A Risk Retention Group),
Defendant

PROTECTIVE ORDER

THE COMMISSION, having considered Defendant's request to keep certain proprietary information requested by the Bureau of Insurance in the above-captioned proceeding confidential, is of the opinion that a protective order should be entered by the Commission;

THEREFORE, IT IS ORDERED that the following reports requested by the Bureau of Insurance (i) National Home Insurance Company's Ledger Balance Sheet and Income Statement for April 30, 1993; and (ii) National Home Insurance Company's Ledger Balance Sheet and Income Statement for May 31, 1993, shall be forthwith filed with the Clerk of the Commission and once so filed shall not be released by the Clerk of the Commission to the public.

CASE NO. INS930073
APRIL 9, 1993

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

ORDER TO TAKE NOTICE

WHEREAS, Virginia Code § 38.2-1040 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 Defendant or its officers has refused to furnish satisfactory evidence of its financial and business standing or solvency;

WHEREAS, Defendant has failed to provide the Bureau of Insurance with audited financial statements for the period ended December 31, 1991; and

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

THEREFORE, IT IS ORDERED that Defendant TAKE NOTICE that the Commission shall enter an order subsequent to April 21, 1993, suspending the license of Defendant to transact the business of insurance in the Commonwealth of Virginia unless on or before April 21, 1993, 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. INS930073
APRIL 27, 1993

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

ORDER SUSPENDING LICENSE

WHEREAS, for the reasons stated in an order entered herein April 9, 1993, Defendant was ordered to take notice that the Commission would enter an order subsequent to April 21, 1993, suspending the license of the Defendant to transact the business of insurance in the Commonwealth of Virginia unless on or before April 21, 1993, 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:

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

(2) That the Defendant shall issue no new contracts or policies of insurance in the Commonwealth of Virginia until further order of the Commission;

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

(4) That Defendant's agents shall transact no new insurance business on behalf of Defendants in the Commonwealth of Virginia until further order of the Commission;

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

CASE NO. INS930074
APRIL 9, 1993

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

ORDER TO TAKE NOTICE

WHEREAS, Virginia Code § 38.2-1040 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 March 30, 1993, the Circuit Court of Cole County, Missouri, found that Defendant is operating in hazardous condition and appointed the Director of the Missouri Department of Insurance to be the Rehabilitator of Defendant; and

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

THEREFORE, IT IS ORDERED that Defendant TAKE NOTICE that the Commission shall enter an order subsequent to April 21, 1993, suspending the license of Defendant to transact the business of insurance in the Commonwealth of Virginia unless on or before April 21, 1993, 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. INS930074
APRIL 29, 1993

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

ORDER SUSPENDING LICENSE

WHEREAS, for the reasons stated in an order entered herein April 9, 1993, Defendant was ordered to take notice that the Commission would enter an order subsequent to April 21, 1993, suspending the license of the Defendant to transact the business of insurance in the Commonwealth of Virginia unless on or before April 23, 1993, 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:

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

(2) That the Defendant shall issue no new contracts or policies of insurance in the Commonwealth of Virginia until further order of the Commission;

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

(4) That Defendant's agents shall transact no new insurance business on behalf of Defendants in the Commonwealth of Virginia until further order of the Commission;

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

CASE NO. INS930076
APRIL 20, 1993

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

ORDER TO TAKE NOTICE

WHEREAS, Defendant is a multiple employer welfare arrangement domiciled in the Commonwealth of Virginia which is providing health care coverage, or has provided health care coverage, in the Commonwealth of Virginia; and

WHEREAS, Defendant is not licensed by the Commission as an insurer pursuant to Title 38.2 of the Code of Virginia or a multiple employer welfare arrangement pursuant to the Commission's Rules Governing Multiple Employer Welfare Arrangements adopted in Case No. INS910244, nor is Defendant exempt from Commission regulation by the Commission's own rules or any law or regulation of the federal government;

THEREFORE, IT IS ORDERED that Defendant TAKE NOTICE that the Commission shall enter an order subsequent to April 30, 1993, (i) permanently enjoining Defendant from operating a multiple employer health care plan in the Commonwealth of Virginia; (ii) imposing a monetary penalty against Defendant in the amount of five thousand dollars ($5,000) for operating an unlicensed multiple employer welfare arrangement in the Commonwealth of Virginia; and (iii) requiring Defendant to make restitution, in accordance with Virginia Code § 38.2-218.D.c, for unpaid health care claims, unless on or before April 30, 1993, Defendant files with the Clerk of the Commission, Document Control Center, P.O. Box 2118, Richmond, Virginia 23216, a responsive pleading to object to the entry of the aforesaid order and a request for a hearing.

CASE NO. INS930076
JULY 1, 1993

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

CONSENT ORDER

WHEREAS, by order entered herein April 20, 1993, Centurion Health and Welfare Plan ("Centurion") was ordered to take notice that the Commission would enter an order subsequent to April 30, 1993, permanently enjoining Defendant from operating as a multiple employer welfare arrangement in the Commonwealth of Virginia and imposing certain other penalties, unless on or before April 30, 1993, Defendant filed a responsive pleading to object to the entry of the aforesaid order and a request for a hearing;

WHEREAS, Centurion filed a timely response to the Commission's aforesaid order wherein Centurion denies that it is a multiple employer welfare arrangement and further denies that it is subject to the Commission's jurisdiction; and

WHEREAS, in order to afford sufficient opportunity to obtain a definitive Advisory Opinion from the United States Department of Labor on the question of whether Centurion is maintained under or pursuant to one or more agreements which the Secretary of Labor finds to be collective bargaining agreements, or a determination by a court of competent jurisdiction whether Centurion is maintained under or pursuant to one or more collective bargaining agreements, Centurion has voluntarily agreed, until further order of the Commission, not to enroll any new participants who are residents of the Commonwealth of Virginia except for new employees of existing employer groups and newborn children or newly acquired dependents of existing participants;

THEREFORE, IT IS ORDERED that, until further order of the Commission, Centurion Health and Welfare Plan not enroll any new participants who are residents of the Commonwealth of Virginia except for new employees of existing employer groups and newborn children or new acquired dependents of existing participants.

CASE NO. INS930077
APRIL 22, 1993

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
SUSAN GAIL NIBLETT,
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 a property and casualty agent, in certain instances, violated Virginia Code § 38.2-1813 by failing to hold collected premiums in a fiduciary capacity and account for and remit the premiums to an insurer or insurance premium finance company entitled to payment when due;

IT FURTHER APPEARING that the Commission is authorized by Virginia Code §§ 38.2-218, 38.2-219 and 38.2-1831 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 29, 1993, 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; 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 revoking Defendant's license to transact the business of insurance in the Commonwealth of Virginia,

THE COMMISSION is of the opinion and finds that Defendant has violated Virginia Code § 38.2-1813 by failing to hold collected premiums in a fiduciary capacity and account for and remit the premiums to an insurer or insurance premium finance company entitled to payment when due;

THEREFORE, IT IS ORDERED:

(1) That the license of Defendant to transact the business of insurance as an agent in the Commonwealth of Virginia be, and it is hereby, revoked;

(2) That all appointments issued under said license be, and they are hereby, void;

(3) That Defendant transact no further business in the Commonwealth of Virginia as an insurance agent;

(4) That 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) That 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) That the papers herein be placed in the file for ended causes.

CASE NO. INS930078
APRIL 27, 1993

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
THE LIFE INSURANCE COMPANY OF GEORGIA,
Defendant

SETTLEMENT ORDER

IT APPEARING from routine field audit 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 Virginia Code § 38.2-1805.A by accepting payment of premiums in arrears on policies of life insurance or accident and sickness insurance which had lapsed;

IT FURTHER APPEARING that the Commission is authorized by Virginia Code §§ 38.2-218, 38.2-219 and 38.2-1040 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 any law, has made an offer of settlement to the Commission wherein Defendant has tendered to the Commonwealth of Virginia the sum of seven thousand two hundred and fifty dollars ($7,250) on behalf of the company and thirty-two thousand dollars ($32,000) on behalf of the company's insurance agents 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 Virginia Code § 12.1-15,

IT IS ORDERED:

(1) That the offer of Defendant in settlement of the matter set forth herein be, and it is hereby, accepted; and

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

CASE NO. INS930079
MAY 24, 1993

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
PETER B. SHARPE,
Defendant

ORDER REVOKING LICENSE

IT APPEARING from an investigation by the Bureau of Insurance that Defendant, duly licensed by the Commission to transact th business of insurance in the Commonwealth of Virginia as a life and health agent, in certain instances, violated Virginia Code § 38.2-512 by making

false or fraudulent statements or representations on or relative to an application for an insurance policy for the purpose of obtaining a fee, commission, or other benefit from an insurer;

IT FURTHER APPEARING that the Commission is authorized by Virginia Code §§ 38.2-218, 38.2-219 and 38.2-1831 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 21, 1993, 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; 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 revoking Defendant's license to transact the business of insurance in the Commonwealth of Virginia,

THE COMMISSION is of the opinion and finds that Defendant has violated Virginia Code § 38.2-512 by making false or fraudulent statements or representations on or relative to an application for an insurance policy for the purpose of obtaining a fee, commission, or other benefit from an insurer;

THEREFORE, IT IS ORDERED:

(1) That the license of Defendant to transact the business of insurance as an agent in the Commonwealth of Virginia be, and it is hereby, revoked;

(2) That all appointments issued under said license be, and they are hereby, void;

(3) That Defendant transact no further business in the Commonwealth of Virginia as an insurance agent;

(4) That 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) That 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) That the papers herein be placed in the file for ended causes.

CASE NO. INS930079
JUNE 10, 1993

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
PETER R. SHARPE,
Defendant

VACATING ORDER

GOOD CAUSE having been shown, the Order Revoking License entered herein May 24, 1993, is hereby vacated.

CASE NO. INS930080
JULY 9, 1993

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
UNITED BEHAVIORAL SERVICES, INC.,
Defendant

SETTLEMENT ORDER

IT APPEARING that Defendant arranges for the provision of mental health services by health care providers on behalf of certain health services plans and health maintenance organizations in the Commonwealth of Virginia and, in connection with those services, engages in certain utilization review activities;

IT FURTHER APPEARING that, pursuant to Virginia Code § 38.2-5301 et seq., certain persons or entities that perform utilization reviews in the Commonwealth of Virginia must obtain a private review agent certificate from the Commission;

IT FURTHER APPEARING that the Bureau of Insurance reviewed Defendant's activities and concluded that Defendant is subject to Virginia Code § 38.2-5301 et seq.;

IT FURTHER APPEARING to the Commission that Defendant obtained a private review agent certificate on April 1, 1993, after already conducting utilization reviews in the Commonwealth of Virginia;

IT FURTHER APPEARING that the Commission is authorized by Virginia Code §§ 38.2-218, 38.2-219, and 38.2-5304 to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke Defendant's certificate upon a finding by the Commission, after notice and opportunity to be heard, that Defendant has committed violations of Virginia Code § 38.2-5301 et seq.;

IT FURTHER APPEARING that Defendant has been advised of its right to a hearing in this matter, whereupon Defendant has made an offer of settlement, solely for the purpose of settling a disputed matter between the Commission and Defendant, wherein the Defendant has tendered to the Commonwealth of Virginia the sum of ten thousand dollars ($10,000) and has waived its right to a hearing;

IT FURTHER APPEARING that the Bureau of Insurance has recommended that the Commission accept that offer of settlement of Defendant pursuant to the authority granted the Commission in Virginia Code § 12.1-15;

IT FURTHER APPEARING that the Settlement Order shall not in any way be considered an admission of liability or wrongdoing by any person, firm, corporation, agency, or other entity herein named or described or any affiliate thereof;

IT IS ORDERED:

(1) That the offer of Defendant in settlement of the matter set forth herein be, and it is hereby, accepted; and

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

CASE NO. INS930084
JUNE 4, 1993

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
BRIGITTE O. HOVERMILL,
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, in certain instances, violated Virginia Code § 38.2-1813 and 38.2-1826 by failing to hold collected premiums in a fiduciary capacity and account for and remit the premiums to an insurer entitled to payment when due, and by failing to report to the Commission a change in residence;

IT FURTHER APPEARING that the Commission is authorized by Virginia Code §§ 38.2-218, 38.2-219 and 38.2-1831 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 matte. by certified letter dated April 28, 1993, 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; 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 revoking Defendant's license to transact the business of insurance in the Commonwealth of Virginia,

THE COMMISSION is of the opinion and finds that Defendant has violated Virginia Code § 38.2-1813 and 38.2-1826 by failing to hold collected premiums in a fiduciary capacity and account for and remit the premiums to an insurer entitled to payment when due, and by failing to report to the Commission a change in residence;

THEREFORE, IT IS ORDERED:

(1) That the license of Defendant to transact the business of insurance as an agent in the Commonwealth of Virginia be, and it is hereby, revoked;

(2) That all appointments issued under said license be, and they are hereby, void;

(3) That Defendant transact no further business in the Commonwealth of Virginia as an insurance agent;

(4) That 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) That 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) That the papers herein be placed in the file for ended causes.

CASE NO. INS930092
MAY 13, 1993

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
SANFORD CHESTER,
Defendant

CEASE AND DESIST ORDER

IT APPEARING from an investigation and subsequent allegations by the Bureau of Insurance that Defendant, not licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia, in certain instances, violated Virginia Code § 38.2-1822 by soliciting, negotiating, procuring or effecting contracts of insurance without first obtaining a license from the Commission; and

IT FURTHER APPEARING that Defendant has waived his right to a hearing and agreed to the entry of a cease and desist order;

THEREFORE, IT IS ORDERED:

(1) That Defendant cease and desist from any conduct which constitutes a violation of Virginia Code § 38.2-1822; and

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

CASE NO. INS930142
MAY 27, 1993

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
GOLDEN DENTAL PLANS OF AMERICA, INC.,
Defendant

TEMPORARY INJUNCTION

ON A FORMER DAY came the Bureau of Insurance, by counsel, and filed with the Clerk of the Commission a Motion for Temporary Injunction;

THE COMMISSION, having considered the motion filed herein and the law applicable hereto, is of the opinion that the motion should be granted;

THEREFORE, IT IS ORDERED that Golden Dental Plans of America, Inc. be, and it is hereby, enjoined from issuing any new contracts, certificates, or other evidences of coverage in the Commonwealth of Virginia for a period of one hundred and twenty (120) days from the date hereof.

CASE NO. INS930143
JULY 8, 1993

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
MARK K. MIZELLE,
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 Virginia Code § 38.2-1813 by failing to hold collected premiums in a fiduciary capacity, and by failing to account for and remit when due premiums collected on behalf of a certain insurer;

IT FURTHER APPEARING that the Commission is authorized by Virginia Code §§ 38.2-218, 38.2-219 and 38.2-1831 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 May 26, 1993, 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 Virginia Code § 38.2-1813 by failing to hold collected premiums in a fiduciary capacity, and by failing to account for and remit when due premiums collected on behalf of a certain insurer;

THEREFORE, IT IS ORDERED:

(1) That 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) That all appointments issued under said licenses be, and they are hereby, void;

(3) That Defendant transact no further business in the Commonwealth of Virginia as an insurance agent;

(4) That 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) That 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) That the papers herein be placed in the file for ended causes.

CASE NO. INS930144
AUGUST 11, 1993

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
PRUDENTIAL HEALTH CARE PLAN, INC.,
Defendant

SETTLEMENT ORDER

IT APPEARING from a market conduct examination conducted 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 Virginia Code §§ 38.2-502.1, 38.2-510.A.5, 38.2-511, 38.2-604, 38.2-606.8, 38.2-608, 38.2-609, 38.2-316.A, 38.2-316.B, 38.2-1318.C, 38.2-1812.A, 38.2-1822.A, 38.2-1833.A.1, 38.2-1834.C, 38.2-3407.1.B, 38.2-4301.C, 38.2-4306.A.2, 38.2-4306.B.1 and 38.2-4313, as well as, Sections 6.A(1), 6.B(1), 9.C, 13.A and 17.B of the Commission's Rules Governing Advertisement of Accident and Sickness Insurance, and Sections 6.C.3, 8.B.2, 8.C.3, 8.D, 8.H.5, 11.B.17, 12.A and 12.B of the Commission's Rules Governing Health Maintenance Organizations;

IT FURTHER APPEARING that the Commission is authorized by Virginia Code §§ 38.2-218, 38.2-219 and 38.2-4316 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 has made an offer of settlement to the Commission wherein Defendant has tendered to the Commonwealth of Virginia the sum of twenty-seven thousand dollars ($27,000) 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 Virginia Code § 12.1-15,

IT IS ORDERED:

(1) That the offer of Defendant in settlement of the matter set forth herein be, and it is hereby, accepted; and

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

CASE NO. INS930145
JULY 8, 1993

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
SALEM BANK & TRUST COMPANY,
Defendant

SETTLEMENT ORDER

IT APPEARING from an investigation and subsequent allegations by the Bureau of Insurance that Defendant, currently duly licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia, in certain instances, violated Virginia Code §§ 38.2-1812, 38.2-1822, and 38.2-1833 by transacting title insurance on behalf of a certain insurer prior to obtaining a title insurance agent's license from the Commission and an appointment from the insurer, and by accepting commissions from the insurer prior to obtaining a license and an appointment;

IT FURTHER APPEARING that the Commission is authorized by Virginia Code §§ 38.2-218, 38.2-219 and 38.2-1831 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 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) 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 Virginia Code § 12.1-15,

IT IS ORDERED:

(1) That the offer of Defendant in settlement of the matter set forth herein be, and it is hereby, accepted; and

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

CASE NO. INS930152
JUNE 11, 1993

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
INVESTORS TITLE 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 Virginia Code §§ 38.2-1812, 38.2-1822, and 38.2-1833 by paying commissions or other compensation to certain persons when they were not licensed as an insurance agent or appointed with the company, and by transacting title insurance through certain persons prior to their obtaining an insurance agent's license from the Commission or an appointment from the company;

IT FURTHER APPEARING that the Commission is authorized by Virginia Code §§ 38.2-218, 38.2-219 and 38.2-1040 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 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), 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 Virginia Code § 12.1-15,

IT IS ORDERED:

(1) That the offer of Defendant in settlement of the matter set forth herein be, and it is hereby, accepted;

(2) That Defendant cease and desist from any conduct which constitutes a violation of Virginia Code §§ 38.2-1812, 38.2-1822 or 38.2-1833; and

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

CASE NO. INS930154
JULY 28, 1993

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
PIEDMONT BANKGROUP, INC. (including its subsidiary banks)
and
PBG INSURANCE SERVICES CO.,
Defendants

SETTLEMENT ORDER

IT APPEARING from an investigation and subsequent allegations by the Bureau of Insurance that the Bureau has alleged that Defendants, in certain instances, violated Virginia Code §§ 38.2-1812, 38.2-1822, and 38.2-1833 by transacting title insurance on behalf of a certain insurer prior to obtaining a title insurance agent's license from the Commission and an appointment by the insurer, and by accepting commissions from the insurer without first obtaining a license and/or an appointment;

IT FURTHER APPEARING that the Commission is authorized by Virginia Code §§ 38.2-218, 38.2-219 and 38.2-1831 to impose certain monetary penalties, issue cease and desist orders and to suspend or revoke Defendant's (PBG Insurance Services Co.) license 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 have made an offer of settlement to the Commission wherein Defendants have tendered to the Commonwealth of Virginia the sum of six thousand dollars ($6,000) and have waived their right to a hearing and in which the Defendants have stated that the offer was being made solely for the purpose of settlement and did not constitute, nor should it be construed as, an admission of violation of law; 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 Virginia Code § 12.1-15,

IT IS ORDERED:

(1) That the offer of Defendants in settlement of the matter set forth herein be, and it is hereby, accepted; and

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

CASE NO. INS930155
JULY 21, 1993

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
GROUP HOSPITALIZATION AND MEDICAL SERVICES, INC.,
Defendant

CEASE AND DESIST ORDER

IT APPEARING from an examination as of December 31, 1991, conducted by the Bureau of Insurance that Defendant, duly licensed by the Commission to transact the business of a health services plan in the Commonwealth of Virginia, in certain instances, violated certain provisions contained in Virginia Code §§ 38.2-210, 38.2-211, 38.2-316, 38.2-1318, and 38.2-4233;

IT FURTHER APPEARING that the Commission is authorized by Virginia Code §§ 38.2-218, 38.2-219, and 38.2-1040 to impose certain monetary penalties, to 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 such alleged violations;

IT FURTHER APPEARING that Defendant has been advised of its right to a hearing in this matter, whereupon Defendant, by counsel, without admitting any violation of law and solely for the purpose of settlement, has made an offer of settlement to the Commission in a letter dated July 20, 1993, addressed to the Chief Examiner of the Bureau of Insurance, wherein Defendant has tendered to the Commonwealth of Virginia the sum of sixteen thousand dollars ($16,000), has waived its right to a hearing, and has agreed to the entry by the Commission of this 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 Virginia Code § 12.1-15;

IT IS ORDERED:

(1) That the offer of Defendant in settlement of the matter set forth herein be, and is hereby, accepted;

(2) That Defendant, Group Hospitalization and Medical Services, Inc., cease and desist from any conduct which constitutes, or may constitute, a violation of Virginia Code §§ 38.2-210, 38.2-211, 38.2-316, 38.2-1318, and 38.2-4233; and

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

CASE NO. INS930156
JUNE 7, 1993

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 $1,000,000;

WHEREAS, Virginia Code § 38.2-1036 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, 1993 Quarterly Statement of Defendant, filed with the Commission's Bureau of Insurance, indicates capital of $2,500,000 and surplus of $905,215;

IT IS ORDERED that, on or before August 4, 1993, Defendant eliminate the impairment in its surplus and restore the same to at least $1,000,000 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. INS930156
AUGUST 11, 1993

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 herein June 7, 1993, Defendant was ordered to eliminate the impairment in its surplus and restore the same to at least $1,000,000 and advise the Commission of the accomplishment thereof by affidavit of Defendant's president or other authorized officer;

WHEREAS, by affidavit filed with the Commission by Defendant's vice president, the Commission has been advised that the Defendant has restored its surplus to the minimum amount required by Virginia law;

WHEREAS, the Bureau of Insurance has recommended that the Impairment Order entered by the Commission be vacated; and

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. INS930334
JULY 23, 1993

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
MICHAEL W. REIVER,
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 Virginia Code § 38.2-1813 by failing to hold collected premiums in a fiduciary capacity, and by failing to account for and remit when due premiums collected on behalf of a certain insurer;

IT FURTHER APPEARING that the Commission is authorized by Virginia Code §§ 38.2-218, 38.2-219 and 38.2-1831 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 June 15, 1993, 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 Virginia Code § 38.2-1813 by failing to hold collected premiums in a fiduciary capacity, and by failing to account for and remit when due premiums collected on behalf of a certain insurer;

THEREFORE, IT IS ORDERED:

(1) That 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) That all appointments issued under said licenses be, and they are hereby, void;

(3) That Defendant transact no further business in the Commonwealth of Virginia as an insurance agent;

(4) That 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) That 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) That the papers herein be placed in the file for ended causes.

CASE NO. INS930352
JULY 27, 1993

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
FIDELITY MUTUAL LIFE INSURANCE COMPANY,
Defendant

ORDER TO TAKE NOTICE

WHEREAS, Virginia Code § 38.2-1040 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 the company has violated any law of this Commonwealth;

WHEREAS, Defendant has violated Virginia Code §§ 38.2-1300 and 38.2-1301 by failing to file with the Bureau of Insurance Defendant's CPA audit as of December 31, 1991, Quarterly Statement as of September 30, 1992, Annual Statement as of December 31, 1992, and Quarterly Statement as of March 31, 1993; and

WHEREAS the Bureau of Insurance has recommended that the license of Defendant to transact the business of insurance in the Commonwealth of Virginia be suspended;

THEREFORE, IT IS ORDERED that Defendant TAKE NOTICE that the Commission shall enter an order subsequent to August 5, 1993, suspending the license of Defendant to transact the business of insurance in the Commonwealth of Virginia unless on or before August 5, 1993, 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. INS930352
AUGUST 9, 1993

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
FIDELITY MUTUAL LIFE INSURANCE COMPANY,
Defendant

ORDER SUSPENDING LICENSE

WHEREAS, for the reasons stated in an order entered herein July 27, 1993, Defendant was ordered to take notice that the Commission would enter an order subsequent to August 5, 1993, suspending the license of Defendant to transaction the business of insurance in the Commonwealth of Virginia unless on or before August 5, 1993, 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:

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

(2) That the appointments of Defendant's agents to act on behalf of Defendant in the Commonwealth of Virginia be, and they are hereby SUSPENDED;

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

(4) That Defendant's agents shall transact no new insurance business on behalf of Defendant in the Commonwealth of Virginia;

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

CASE NO. INS930353
JULY 27, 1993

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

ORDER TO TAKE NOTICE

WHEREAS, Virginia Code § 38.2-1040 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 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 June 11, 1993, by the Insurance Commissioner of the Commonwealth of Pennsylvania, Defendant's license to transact the business of insurance was suspended in its state of domicile after the Insurance Commissioner found that Defendant was in such condition that further transaction of business would be hazardous to its policy and certificate holders, creditors and the public; and

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

THEREFORE, IT IS ORDERED that Defendant TAKE NOTICE that the Commission shall enter an order subsequent to August 5, 1993, suspending the license of Defendant to transact the business of insurance in the Commonwealth of Virginia unless on or before August 5, 1993, 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
AUGUST 31, 1993

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

ORDER SUSPENDING LICENSE

WHEREAS, for the reasons stated in an order entered herein July 27, 1993, Defendant was ordered to take notice that the Commission would enter an order subsequent to August 5, 1993, suspending the license of the Defendant to transact the business of insurance in the Commonwealth of Virginia unless on or before August 5, 1993, 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:

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

(2) That the Defendant shall issue no new contracts or policies of insurance in the Commonwealth of Virginia until further order of the Commission;

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

(4) That Defendant's agents shall transact no new insurance business on behalf of Defendants in the Commonwealth of Virginia until further order of the Commission;

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

CASE NO. INS930357
JULY 28, 1993

PETITION OF
RANDMARK, INC., HUMANA INC., AND HUMANA INSURANCE COMPANY

ORDER GRANTING PETITION

This matter came to be heard on the petition of Randmark, Inc. ("Randmark"), Humana Inc. ("Humana") and Humana Insurance Company ("HIC"), for an Order for the termination and surrender of Randmark's license to operate as a non-profit health service plan offering pre-paid dental services in the Commonwealth of Virginia. The Bureau of Insurance has recommended that the Commission grant the Petition herein.

FINDINGS

(1) Randmark is currently licensed under Chapter 42 of Title 38.2 of the Virginia Code, as a non-profit health service plan offering pre-paid dental services. The grant of its license was pursuant to its license in the State of Maryland as a non-profit health care service plan under Md. Code Ann. 48A, Section 354 (1992), and reciprocally under Va. Code Ann. § 38.2-4206 (1992).

(2) Randmark has entered into an agreement with Humana and HIC under which, in principal part, HIC will acquire Randmark and convert it from a non-profit health care service plan to a for-profit corporation licensed in the State of Maryland as a dental service organization under Md. Code Ann. 48A, § 581 (1992).

(3) In order to consummate this transaction, Humana, HIC and Randmark have jointly applied to the Maryland Department of Insurance for an Order approving a plan of conversion of Randmark from a non-profit health care service plan to a for-profit dental service organization. The Maryland Department of Insurance approved the plan of conversion on June 30, 1993.

(4) As a consequence, Randmark, as of the effective date of such conversion, will no longer be eligible to maintain its license reciprocally in the Commonwealth of Virginia as a non-profit health care service plan.

(5) Randmark currently has 132 contracts with residents of the Commonwealth of Virginia and four (4) contracts with groups in Virginia for the provision of pre-paid dental services in which 366 individuals are enrollees of the pre-paid dental plans offered by Randmark.

(6) Randmark, Humana and HIC have entered into an agreement whereby Humana and HIC have guaranteed certain obligations of Randmark, a copy of which guaranty is attached hereto and made a part hereof as Exhibit 1. Accordingly,

IT IS THEREFORE ORDERED:

(1) That the license of Randmark be, and it is hereby, terminated and that Randmark shall forthwith surrender its license to operate as a non-profit health service plan in the Commonwealth of Virginia;

(2) That notwithstanding the termination of its license, Randmark may continue to arrange for the provision of dental services on a prepaid basis to, and otherwise perform its obligations owed to, those individuals who have entered into agreements with Randmark, on or before the date of this order; provided, however, that all such contracts shall have been terminated on or before December 31, 1993;

(3) That Humana and HIC shall guarantee the obligations of Randmark to arrange for the provision of dental services on a prepaid basis to those individuals who have entered into agreements with Randmark, as set forth in Exhibit 1 attached hereto; and

(4) That from and after the date of the termination of its license, Randmark shall not enroll or re-enroll any individuals residing in the Commonwealth of Virginia, under dental policies issued by Randmark. Further, Randmark shall not issue policies for the delivery of dental services on a prepaid basis in the Commonwealth of Virginia, irrespective of whether such agreements are entered into outside of the Commonwealth of Virginia.

NOTE: A copy of Exhibit 1 entitled "Guaranty 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.

CASE NO. INS930382
OCTOBER 22, 1993

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION

Ex Parte: In the matter of adopting revised Rules Establishing Minimum Reserve Standards for Individual and Group Accident and Sickness Insurance Contracts

ORDER ADOPTING REGULATION

WHEREAS, by order entered herein August 4, 1993, the Commission ordered that a hearing be held in the Commission's Courtroom on October 21, 1993, for the purpose of considering the adoption of a regulation proposed by the Bureau of Insurance ("Bureau") entitled "Rules Establishing Minimum Reserve Standards for Individual and Group Accident and Sickness Insurance Contracts";

WHEREAS, the Commission conducted the aforesaid hearing where the Bureau appeared, by counsel, and recommended one substantive and several technical changes to the regulation and no interested party appeared to comment on the proposed regulation; and

THE COMMISSION, having considered the record herein and the recommendations of the Bureau, is of the opinion that the regulation should be adopted, as amended;

THEREFORE, IT IS ORDERED that the regulation entitled "Rules Establishing Minimum Reserve Standards for Individual and Group Accident and Sickness Insurance Contracts" which is attached hereto and made a part hereof should be, and it is hereby, ADOPTED to be effective January 1, 1994.

NOTE: A copy of the Regulation entitled "Rules Establishing Minimum Reserve Standards for Individual and Group Accident and Sickness Insurance Contracts" 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. INS930385
NOVEMBER 23, 1993

APPLICATION OF
NATIONAL COUNCIL ON COMPENSATION INSURANCE

For approval of advisory loss costs and revision of assigned risk workers' compensation insurance rates

FINAL ORDER

The application herein was heard by the State Corporation Commission (the "Commission") beginning on October 12, 1993, and ending on October 15, 1993. The National Council on Compensation Insurance (the "Applicant"), the Commission's Bureau of Insurance, Protestants Washington Construction Employers Association, and the Iron Workers Employers Association, Protestant Virginia Workers' Compensation Coalition, and the Division of Consumer Counsel of the Office of the Attorney General appeared before the Commission, by their counsel, and put on their respective cases through the testimony of witnesses, the submission of exhibits, and the filing of post-hearing briefs.

NOW, ON THIS DAY, having considered the record herein and the law applicable hereto,

THE COMMISSION is of the opinion, finds, and orders:

(1) That, based on the calculation of the latest available two complete policy years of loss and premium experience for both the voluntary and assigned risk market combined, the factor of 1.138 proposed by the Applicant to adjust for experience produces excessive premiums and, in lieu thereof, a factor of 1.102 shall be utilized, resulting from the use of the "paid plus case" loss experience methodology, loss development to a 12th report based on the five-year-dollar-weighted average, an indemnity tail factor based on the Applicant's procedure, a medical tail factor which excludes the year 1991 and is instead based on the average of years 1990 and 1992, the "growth" factor procedure proposed by the Applicant, and the loss development triangles in which the prior years' data are "cleansed" to reflect data corrections;

(2) That the factor of 1.057 proposed by the Applicant as a change in trend produces excessive premiums and, in lieu thereof, a factor of 1.011 shall be utilized; this factor of 1.011 results from the use of 2.0% and 5.5% annual trend for indemnity and medical, respectively, which were determined by developing Virginia experience as outlined in (1) above, assigning 100% credibility for Virginia indemnity and medical experience, calculating the range of trends using the method proposed by the Attorney General's witness, and reviewing and analyzing this range to select the appropriate annual trends;

(3) That the Applicant's calculation of a 47% differential between voluntary and assigned risk loss costs is accepted, resulting in a factor of 0.917 to be utilized to remove the assigned risk subsidy inherent in the Applicant's filing for voluntary loss costs;

(4) That the factors proposed by the Applicant for the change in expenses (0.970), benefits, (1.004), loss adjustment expenses (1.001), and taxes (0.989) are accepted and shall be utilized, and that an expense constant offset factor of (0.998) which reflects the approved expense constant ($160) and provision for profit and contingency shall be utilized;

(5) That the calculation of the change to voluntary loss costs for industrial classes expressed as a percentage shall be: experience (10.2%), trend (1.1%), benefits (0.4%), loss adjustment expense (0.1%), removal of assigned risk subsidy (-8.3%), resulting in a total change in voluntary market loss costs of 2.6%, rather than the 17.5% proposed by the Applicant;

(6) That the expected assigned risk plan share of the totalmarket premium at the current rate level shall be 27% for the policy year for which the rates for the assigned risk plan shall be calculated;

(7) That the assigned risk premium discount program shall no longer be utilized;

(8) That the assigned risk premium surcharge shall be increased from 10% to 15% relative to the current voluntary loss costs which include an assigned risk subsidy;

(9) That the increase of 7.3% in premiums proposed by the Applicant for profit and contingencies produces excessive premiums and, in lieu thereof, an increase of 0.2% in premiums shall be permitted, resulting from a rate of return of 11.88% (which is based on an 80/20 equity-to-debt ratio, a 12.75% cost of common equity, and an 8.4% cost of debt), a 6.90% pretax and 5.34% post tax (before investment expenses) investment income rate (which incorporates a 13.5% return on equity investment), the claims and expense payment schedule proposed by the Bureau witnesses, a 2.0% provision for uncollectible premium, a reserve to surplus ratio of 2.75 developed considering only loss and loss adjustment expense reserves, and no provision for asset-liability matching, such that the authorized profit and contingency factor is changed from -5.74% to a -5.57%;

(10) That the calculation of the change to assigned risk market rates for industrial classes expressed as a percentage shall be: experience (10.2%), trend (1.1%), benefits (0.4%), loss adjustment expenses (0.1%), offset for assigned risk programs (-3.2%), expense changes (-3.0%), tax changes (-1.1%), change in profit and contingency (0.2%), change in assigned risk differential (4.5%), change in expense constant (-0.2%), total rate change (8.6%), effect of change in expense constant (0.2%), effect of eliminating premium discounts (7.5%), resulting in a change in assigned risk market premiums of 17.0%, rather than the 35.8% proposed by the Applicant;

(11) That the proposed increase of 8.7% for voluntary market loss costs for "F" Classifications be, and it is hereby, disapproved, and in lieu thereof an increase of 2.5% is hereby approved;

(12) That the proposed 25.6% premium increase for assigned risk market rates for "F" Classifications be, and it is hereby, disapproved, and in lieu thereof an increase of 16.9% is hereby approved;

(13) That, in future cases, a provision for uncollectible premiums shall be disallowed unless the Applicant provides additional data and support for its uncollectible premium provision, which shall include at least a history of uncollectible premium as a percentage of written premium for each servicing carrier, and the uncollectible premium as it relates to the number of the risks insured by each servicing carrier;

(14) That the Applicant, with the assistance of the Bureau of Insurance, shall undertake a review of its data summarization methodologies for both financial data as well as unit statistical plan data to determine whether experience for the voluntary market and assigned risk market can be reported to the Commission for separate analysis of all aspects of voluntary advisory loss costs and assigned risk rates and shall, upon consideration of the above as well as all other relevant factors, advise the Commission of the feasibility of such separate analysis to be included in the next such filing by the Applicant;

(15) That, except as ordered herein, the proposed revision to loss costs, rates, minimum premiums, rules, regulations, and procedures for writing workers' compensation insurance in this Commonwealth that have been filed by the Applicant herein on behalf of its members and subscribers shall be, and they are hereby, approved for use in this Commonwealth effective January 1, 1994; and

(16) That, as recommended by Protestant, Washington Construction Employers Association and Iron Workers Construction Employers Association, the Applicant, shall, as soon as practicable but no later than thirty (30) days from the date hereof, promulgate its revised individual manual code voluntary loss costs, assigned risk rates, minimum premiums, and rating values, rates and multiples.

CASE NO. INS930385
NOVEMBER 30, 1993

APPLICATION OF
NATIONAL COUNCIL ON COMPENSATION INSURANCE

For approval of advisory loss costs and revision of assigned risk workers' compensation insurance rates

ORDER

ON A FORMER DAY came the National Council on Compensation Insurance ("NCCI") and filed with the Clerk of the Commission a Petition for Reconsideration or Clarification; and

THE COMMISSION, having considered the Petition and the law applicable hereto, is of the opinion that the Petition for Reconsideration should be denied and, to the extent that the Commission's Final Order needs clarification, we do so herein. Paragraph (3) of the Final Order states that a factor of 0.917 is "to be utilized to remove the assigned risk subsidy inherent in the Applicant's filing for voluntary loss costs." In our opinion, the fact that there is no provision in the Final Order transferring that subsidy back to the assigned risk plan makes it clear that it is not the intention of the Commission to provide for a fully self-funded assigned risk market. Further, no party who appeared before the Commission, including NCCI, recommended a fully self-funded assigned risk market. The Commission expects insurers to determine independently what factor they may include in their voluntary market loss cost expense multipliers to reflect their assigned risk costs after consideration of: the Commission's Final Order; NCCI reports on voluntary and assigned risk experience; expected savings resulting from accepting direct assignments; the insurer's own perception of future assigned risk market shares; and other considerations individual insurers may consider relevant.

THEREFORE, IT IS ORDERED that the National Council on Compensation Insurance's Petition for Reconsideration be, and it is hereby, DENIED.

CASE NO. INS930402
SEPTEMBER 28, 1993

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
DAWSON S. FOOTMAN,
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 Virginia Code §§ 38.2-1801 and 38.2-1813 by claiming to be a representative of or authorized agent of a particular insurer without first obtaining an appointment from the insurer, and by failing to hold collected premiums in a fiduciary capacity and account for and pay the premiums to the person entitled to payment when due;

IT FURTHER APPEARING that the Commission is authorized by Virginia Code §§ 38.2-218, 38.2-219 and 38.2-1831 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 August 17, 1993 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 Virginia Code §§ 38.2-1801 and 38.2-1813 by claiming to be a representative of or authorized agent of a particular insurer without first obtaining an appointment from the insurer, and by failing to hold collected premiums in a fiduciary capacity and account for and pay the premiums to the person entitled to payment when due;

THEREFORE, IT IS ORDERED:

(1) That 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) That all appointments issued under said licenses be, and they are hereby, void;

(3) That Defendant transact no further business in the Commonwealth of Virginia as an insurance agent;

(4) That 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) That 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) That the papers herein be placed in the file for ended causes.

CASE NO. INS930411
SEPTEMBER 8, 1993

APPLICATION OF
NEW JERSEY LIFE INSURANCE COMPANY, IN REHABILITATION

For approval of an assumption reinsurance agreement pursuant to Virginia Code § 38.2-136.C

ORDER APPROVING APPLICATION

ON A FORMER DAY came New Jersey Life Insurance Company, In Rehabilitation ("New Jersey Life"), by its Rehabilitator, the Commissioner of Insurance, State of New Jersey, and filed with the Commission an application requesting approval of an assumption reinsurance agreement pursuant to Virginia Code § 38.2-136.C, whereby American General Life Insurance Company, a Texas domiciled insurer licensed to transact the business of insurance in the Commonwealth of Virginia, would assume all of the business of New Jersey Life;

WHEREAS, the Bureau of Insurance reviewed the application to ensure that policyholders will not lose any rights or claims afforded under their original policies pursuant to Chapter 17 of Title 38.2 of the Code of Virginia; and

THE COMMISSION, having considered the application, the recommendation of the Bureau of Insurance that the application be approved, and the law applicable hereto, is of the opinion that the application should be approved;

THEREFORE, IT IS ORDERED that the application of New Jersey Life Insurance Company, In Rehabilitation for approval of an assumption reinsurance agreement pursuant to Virginia Code § 38.2-136.C be, and it is hereby, APPROVED.

CASE NO. INS930412
SEPTEMBER 9, 1993

APPLICATION OF
VIRGINIA LIFE, ACCIDENT & SICKNESS INSURANCE GUARANTY ASSOCIATION

For approval of an assumption reinsurance agreement pursuant to Virginia Code § 38.2-136.C

ORDER APPROVING APPLICATION

ON A FORMER DAY came the Virginia Life, Accident & Sickness Insurance Guaranty Association (the "Association") and filed with the Commission an application requesting approval of an assumption reinsurance agreement pursuant to Virginia Code § 38.2-136.C, whereby Jackson National Life Insurance Company, a Michigan domiciled insurer licensed to transact the business of insurance in the Commonwealth of Virginia, would assume the remaining business of Inter-American Insurance Company of Illinois, an Illinois domiciled insurer which has been placed in liquidation by the Director of Insurance of the State of Illinois;

WHEREAS, the Bureau of Insurance reviewed the application to ensure that policyholders will not lose any rights or claims afforded under their original policies pursuant to Chapter 17 of Title 38.2 of the Code of Virginia; and

THE COMMISSION, having considered the application, the recommendation of the Bureau of Insurance that the application be approved, and the law applicable hereto, is of the opinion that the application should be approved;

THEREFORE, IT IS ORDERED that the application of the Association for approval of an assumption reinsurance agreement pursuant to Virginia Code § 38.2-136.C be, and it is hereby, APPROVED.

CASE NO. INS930414
NOVEMBER 3, 1993

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
BANKERS AND SHIPPERS INSURANCE COMPANY,
Defendant

SETTLEMENT ORDER

IT APPEARING from a market conduct examination conducted 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 Virginia Code §§ 38.2-510.A.6, 38.2-610, 38.2-1833, 38.2-1906.B, 38.2-2208, 38.2-2212, and 38.2-2220 as well as Section 4.4 of the Commission's Rules Governing Insurance Premium Finance Companies;

IT FURTHER APPEARING that the Commission is authorized by Virginia Code §§ 38.2-218, 38.2-219 and 38.2-1040 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 has made an offer of settlement to the Commission wherein Defendant has tendered to the Commonwealth of Virginia the sum of six thousand two hundred fifty dollars ($6,250) 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 Virginia Code § 12.1-15,

IT IS ORDERED:

(1) That the offer of Defendant in settlement of the matter set forth herein be, and it is hereby, accepted; and

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

CASE NO. INS930415
SEPTEMBER 28, 1993

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
DARREN O. THOMAS,
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 Virginia Code § 38.2-1826 by failing to report timely to the Commission any change in residence;

IT FURTHER APPEARING that the Commission is authorized by Virginia Code §§ 38.2-218, 38.2-219 and 38.2-1831 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 September 2, 1993 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 Virginia Code § 38.2-1826 by failing to report timely to the Commission any change in residence;

THEREFORE, IT IS ORDERED:

(1) That 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) That all appointments issued under said licenses be, and they are hereby, void;

(3) That Defendant transact no further business in the Commonwealth of Virginia as an insurance agent;

(4) That 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) That 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) That the papers herein be placed in the file for ended causes.

CASE NO. INS930417
OCTOBER 7, 1993

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
CHURCH OF GOD IN CHRIST HOSPITAL FUND,
Defendant

CONSENT ORDER

By letter filed with the Clerk of the Commission, the Church of God in Christ Hospital Fund (the "Fund"), a hospital indemnity plan which is operating in the Commonwealth of Virginia, and which is sponsored by the Church of God in Christ, a religious organization headquartered in Memphis, Tennessee, consented to the entry of an order wherein the Fund agreed not to enroll any new members in Virginia and further agreed to permit the Bureau of Insurance to examine its books and records.

THEREFORE, IT IS ORDERED that, as of the date of this order and until further order of the Commission, the Fund shall not enroll any new Virginia domiciled participants except for newborn children or newly acquired dependents of existing participants.

CASE NO. INS930422
NOVEMBER 10, 1993

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
UNITED SERVICES AUTOMOBILE ASSOCIATION
and
USAA CASUALTY INSURANCE COMPANY,
Defendants

SETTLEMENT ORDER

IT APPEARING from a market conduct examination conducted 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 certain sections of the Code of Virginia; to wit: United Services Automobile Association violated Virginia Code §§ 38.2-2208, 38.2-2212, 38.2-2220, 38.2-1906, 38.2-610, 38.2-2113, 38.2-2114, 38.2-510.A.6 and 38.2-510.A.10, as well as Section 4 of the Commission's Rules Governing Unfair Claim Settlement Practices; and USAA Casualty Insurance Company violated Virginia Code §§ 38.2-2208, 38.2-2212, 38.2-2220, 38.2-610, 38.2-2113, 38.2-2114, 38.2-510.A.6 and 38.2-510.A.10;

IT FURTHER APPEARING that the Commission is authorized by Virginia Code §§ 38.2-218, 38.2-219 and 38.2-1040 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 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) and have waived their right to a hearing; 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 Virginia Code § 12.1-15,

IT IS ORDERED:

(1) That the offer of Defendants in settlement of the matter set forth herein be, and it is hereby, accepted;

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

CASE NO. INS930423
NOVEMBER 10, 1993

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
WINDSOR INSURANCE COMPANY
and
REGAL INSURANCE COMPANY,
Defendants

SETTLEMENT ORDER

IT APPEARING from a market conduct examination conducted 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 certain sections of the Code of Virginia; to wit: Windsor Insurance Company violated Virginia Code §§ 38.2-305, 38.2-1833, 38.2-1905 and 38.2-1906; and Regal Insurance Company violated Virginia Code §§ 38.2-305, 38.2-510.A.6, 38.2-510.A.10, 38.2-510.C, 38.2-1905, 38.2-1906 and 38.2-2212, as well as Section 4.4 of the Commission's Rules Governing Insurance Premium Finance Companies, and Sections 5(a) and 9(d) of the Commission's Rules Governing Unfair Claim Settlement Practices;

IT FURTHER APPEARING that the Commission is authorized by Virginia Code §§ 38.2-218, 38.2-219 and 38.2-1040 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 have made an offer of settlement to the Commission wherein Defendants have tendered to the Commonwealth of Virginia the sum of ten thousand three hundred dollars ($10,300) and have waived their right to a hearing; 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 Virginia Code § 12.1-15,

IT IS ORDERED:

(1) That the offer of Defendants in settlement of the matter set forth herein be, and it is hereby, accepted; and

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

CASE NO. INS930427
OCTOBER 21, 1993

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 conducted 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 Virginia Code §§ 38.2-316.A, 38.2-316.B, 38.2-502.1, 38.2-510.A.2, 38.2-510.A.5, 38.2-510.6, 38.2-511, 38.2-604.A.1, 38.2-606.7.b(1), 38.2-606.8, 38.2-1812.A, 38.2-1822.A, 38.2-3407.1, 38.2-4306.A.2, 38.2-4306.B.1, 38.2-4306.4.e, 38.2-4308.B and 38.2-4312.1, as well as, Sections 8.C.3, 8.H.1, 8.H.2, 11.B.17, 12.A and 12.B of the Commission's Rules Governing Health Maintenance Organizations and Sections 13, 17.A and 17.B of the Commission's Rules Governing Advertisement of Accident and Sickness Insurance;

IT FURTHER APPEARING that the Commission is authorized by Virginia Code §§ 38.2-218, 38.2-219 and 38.2-4316 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 has made an offer of settlement to the Commission wherein Defendant has tendered to the Commonwealth of Virginia the sum of thirty-five thousand dollars ($35,000) 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 Virginia Code § 12.1-15,

IT IS ORDERED:

(1) That the offer of Defendant in settlement of the matter set forth herein be, and it is hereby, accepted; and

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

CASE NO. INS930438
OCTOBER 7, 1993

APPLICATION OF
VIRGINIA BIRTH-RELATED NEUROLOGICAL INJURY COMPENSATION PROGRAM

For approval of amended plan of operation pursuant to Virginia Code § 38.2-5017

ORDER APPROVING AMENDED PLAN OF OPERATION

ON A FORMER DAY came the Virginia Birth-Related Neurological Injury Compensation Program, by its counsel, and, pursuant to Virginia Code § 38.2-5017, filed with the Clerk of the Commission an amended plan of operation. The original plan of operation was approved by the Commission by Order dated November 20, 1987, in Case No. INS870294.

THE COMMISSION, having considered the amended plan of operation, the recommendation of the Bureau of Insurance that said plan be approved, and the law applicable in this matter, is of the opinion and orders that the amended plan of operation, which is attached hereto and made a part hereof, should be, and it is hereby, APPROVED.

NOTE: A copy of the Regulation entitled "Virginia Birth-Related Neurological Injury Compensation Program Plan of Operation" 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. INS930439
NOVEMBER 3, 1993

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

SETTLEMENT ORDER

IT APPEARING from a market conduct examination conducted 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 Virginia Code §§ 38.2-305, 38.2-510.A.6, 38.2-511, 38.2-1904, 38.2-1906, 38.2-2208, 38.2-2212, and 38.2-2220 as well as Section 5(a) of the Commission's Rules Governing Unfair Claim Settlement Practices;

IT FURTHER APPEARING that the Commission is authorized by Virginia Code §§ 38.2-218, 38.2-219 and 38.2-1040 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 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), 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 Virginia Code § 12.1-15,

IT IS ORDERED:

(1) That the offer of Defendant in settlement of the matter set forth herein be, and it is hereby, accepted;

(2) That Defendant cease and desist from any conduct which constitutes a violation of Virginia Code §§ 38.2-305, 38.2-510.A.6, 38.2-511, 38.2-1904, 38.2-1906, 38.2-2208, 38.2-2212, and 38.2-2220 as well as Section 5(a) of the Commission's Rules Governing Unfair Claim Settlement Practices; and

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

CASE NO. INS930440
NOVEMBER 2, 1993

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
CLIFTON A. BOOE,
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 Virginia Code §§ 38.2-512, 38.2-1812.B, and 38.2-1822.A by making false or fraudulent statements or representations on or relative to an application for an insurance policy for the purpose of obtaining a fee or commission, by sharing commissions with a person who was not licensed as an insurance agent, and by permitting an unlicensed person to solicit, negotiate, procure, or effect contracts of insurance in the Commonwealth of Virginia;

IT FURTHER APPEARING that the Commission is authorized by Virginia Code §§ 38.2-218, 38.2-219 and 38.2-1831 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 his right to a hearing in this matter, whereupon Defendant 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 his 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 Virginia Code § 12.1-15,

IT IS ORDERED:

(1) That the offer of Defendant in settlement of the matter set forth herein be, and it is hereby, accepted;

(2) That Defendant cease and desist from any conduct which constitutes a violation of Virginia Code §§ 38.2-512, 38.2-1812.B, or 38.2-1822.A; and

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

CASE NO. INS930441
NOVEMBER 4, 1993

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
KRITIKA SIRICHANYA,
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 Virginia Code §§ 38.2-512 and 38.2-1813 by making false or fraudulent statements or representations on or relative to an application for an insurance policy for the purpose of obtaining a fee or commission, by failing to hold collected premiums in a fiduciary capacity and by failing to account for and remit when due premiums collected on behalf of a certain insurer;

IT FURTHER APPEARING that the Commission is authorized by Virginia Code §§ 38.2-218, 38.2-219 and 38.2-1831 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 September 28, 1993 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 Virginia Code §§ 38.2-512 and 38.2-1813 by making false or fraudulent statements or representations on or relative to an application for an insurance policy for the purpose of obtaining a fee or commission, by failing to hold collected premiums in a fiduciary capacity and by failing to account for and remit when due premiums collected on behalf of a certain insurer;

THEREFORE, IT IS ORDERED:

(1) That 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) That all appointments issued under said licenses be, and they are hereby, void;

(3) That Defendant transact no further business in the Commonwealth of Virginia as an insurance agent;

(4) That 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) That 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) That the papers herein be placed in the file for ended causes.

CASE NO. INS930442
OCTOBER 8, 1993

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
GOOD SAMARITAN ASSOCIATION HEALTH BENEFIT PLAN,
Defendant

ORDER TO TAKE NOTICE

IT APPEARING from an investigation and subsequent allegations by the Bureau of Insurance that Defendant, an Indiana domiciled health insurance association, in certain instances, violated Virginia Code § 38.2-1024 by transacting the business of insurance in the Commonwealth of Virginia without first obtaining a license from the Commission;

THEREFORE, IT IS ORDERED that Defendant TAKE NOTICE that the Commission shall enter an order subsequent to October 20, 1993, ordering Defendant to cease and desist from any conduct which constitutes a violation of Virginia Code § 38.2-1024, unless on or before October 20, 1993, Defendant files with the Clerk of the Commission, Document Control Center, P.O. Box 2118, Richmond, Virginia 23216, a responsive pleading and a request for a hearing.

CASE NO. INS930453
NOVEMBER 4, 1993

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
SPRINGFIELD LIFE INSURANCE COMPANY, INC.,
Defendant

ORDER TO TAKE NOTICE

WHEREAS, Virginia Code § 38.2-1040 provides, inter alia, that the Commission may revoke the license of any insurance company to transact the business of insurance in the Commonwealth of Virginia whenever the Commission finds that the insurer has had all its risks reinsured in their entirety in another insurer;

WHEREAS, Defendant's 1992 Annual Statement as well as its Quarterly Statement as of June 30, 1993, filed with the Bureau of Insurance, indicate that Defendant has reinsured all of its risks in their entirety; and

WHEREAS, the Bureau of Insurance has recommended that the Commission revoke the license of Defendant to transact the business of insurance in the Commonwealth of Virginia;

THEREFORE, IT IS ORDERED that Defendant TAKE NOTICE that the Commission shall enter an order subsequent to November 15, 1993, revoking the license of Defendant to transact the business of insurance in the Commonwealth of Virginia unless on or before November 15, 1993, 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 revocation of Defendant's license.

CASE NO. INS930454
DECEMBER 14, 1993

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
ARNOLD GLASFORD,
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 Virginia Code § 38.2-1813 by failing to hold collected premiums in a fiduciary capacity, and by failing to account for and remit when due premiums collected on behalf of a certain insurer;

IT FURTHER APPEARING that the Commission is authorized by Virginia Code §§ 38.2-218, 38.2-219 and 38.2-1831 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 2, 1993 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 Virginia Code § 38.2-1813 by failing to hold collected premiums in a fiduciary capacity, and by failing to account for and remit when due premiums collected on behalf of a certain insurer;

THEREFORE, IT IS ORDERED:

(1) That 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) That all appointments issued under said licenses be, and they are hereby, void;

(3) That Defendant transact no further business in the Commonwealth of Virginia as an insurance agent;

(4) That 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) That 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) That the papers herein be placed in the file for ended causes.

CASE NO. INS930483
DECEMBER 22, 1993

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
CHARLIE B. DAVENPORT,
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 Virginia Code § 38.2-1813 by failing to hold collected premiums in a fiduciary capacity and by failing to account for and remit when due premiums collected on behalf of a certain insurer;

IT FURTHER APPEARING that the Commission is authorized by Virginia Code §§ 38.2-218, 38.2-219 and 38.2-1831 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 10, 1993 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 Virginia Code § 38.2-1813 by failing to hold collected premiums in a fiduciary capacity and by failing to account for and remit when due premiums collected on behalf of a certain insurer;

THEREFORE, IT IS ORDERED:

(1) That 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) That all appointments issued under said licenses be, and they are hereby, void;

(3) That Defendant transact no further business in the Commonwealth of Virginia as an insurance agent;

(4) That 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) That 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) That the papers herein be placed in the file for ended causes.

CASE NO. INS930485
DECEMBER 14, 1993

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
DELTA DENTAL PLAN OF VIRGINIA,
Defendant

SETTLEMENT ORDER

IT APPEARING from a market conduct examination conducted by the Bureau of Insurance that Defendant, duly licensed by the Commission to transact the business of a dental services plan in the Commonwealth of Virginia, in certain instances, violated Virginia Code §§ 38.2-316.A, 38.2-316.B, 38.2-316.C, 38.2-502.1, 38.2-508.2, 38.2-511, 38.2-1812.A, 38.2-1822.A, 38.2-1833.A.1, 38.2-1834.C, 38.2-3541, 38.2-4514, and 38.2-4519;

IT FURTHER APPEARING that the Commission is authorized by Virginia Code §§ 38.2-218, 38.2-219 and 38.2-4517 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 has made an offer of settlement to the Commission wherein Defendant has tendered to the Commonwealth of Virginia the sum of twenty thousand dollars ($20,000) 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 Virginia Code § 12.1-15,

IT IS ORDERED:

(1) That the offer of Defendant in settlement of the matter set forth herein be, and it is hereby, accepted; and

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

CASE NO. INS930486
DECEMBER 22, 1993

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

SETTLEMENT ORDER

IT APPEARING from a market conduct examination conducted 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 Virginia Code §§ 38.2-316.A, 38.2-316.B, 38.2-316.C, 38.2-502.1, 38.2-510, 38.2-511, 38.2-606.8, 38.2-607.A.1, 38.2-607.A.2, 38.2-3115.B, as well as Sections 5.A, 6.A(1), 6.A(7), 6.B(1), 9.C, 13.A and 17.B of the Commission's Rules Governing Advertisement of Accident and Sickness Insurance, Sections V(1)(d), V(2)(c), V(4)(b), V(4)(q), V(5)(a) and V(6)(d) of the Commission's Rules Governing Life Insurance and Annuity Marketing Practices, Sections 6(a), 7(a) and 8(b) of the Commission's Rules Governing Unfair Claim Settlement Practices, and Section 5(c) of the Commission's Rules Governing the Submission for Approval of Life, Accident and Sickness, Annuity, Credit Life and Credit Accident and Sickness Policy Forms;

IT FURTHER APPEARING that the Commission is authorized by Virginia Code §§ 38.2-218, 38.2-219 and 38.2-1040 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 has made an offer of settlement to the Commission wherein Defendant has tendered to the Commonwealth of Virginia the sum of sixty-two thousand dollars ($62,000) and has waived its right to a hearing;

IT FURTHER APPEARING that Defendant has agreed, in offering this settlement, that if, violations by Defendant of the laws and regulations referred to above are discovered by examination or otherwise within twelve (12) months from the date hereof, the Commission may enter against Defendant an Order for Defendant to Cease and Desist from such violations, without notice to Defendant, and that the Commission may at that time initiate such other proceedings as it may deem appropriate;

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 Virginia Code § 12.1-15,

IT IS ORDERED:

(1) That the offer of Defendant in settlement of the matter set forth herein be, and it is hereby, accepted; and

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

CASE NO. INS930496
DECEMBER 3, 1993

APPLICATION OF
GEORGE WASHINGTON LIFE INSURANCE COMPANY, IN LIQUIDATION

For approval of an assumption reinsurance agreement pursuant to Virginia Code § 38.2-136.C

ORDER APPROVING APPLICATION

ON A FORMER DAY came George Washington Life Insurance Company, In Liquidation ("George Washington"), by its Receiver, and filed with the Commission an application requesting approval of an assumption reinsurance agreement pursuant to Virginia Code § 38.2-136.C, whereby Mid-West National Life Insurance Company, a Tennessee domiciled insurer licensed to transact the business of insurance in the Commonwealth of Virginia, would assume the whole life, traditional life, deferred annuities, and supplemental contracts originally issued by George Washington without any restructuring of benefits, and would not assume the group term life business (other than disabled life benefits) or any accident and health policy obligations;

WHEREAS, the Bureau of Insurance reviewed the application to ensure that policyholders will not lose any rights or claims afforded under their original policies pursuant to Chapter 17 of Title 38.2 of the Code of Virginia; and

THE COMMISSION, having considered the application, the recommendation of the Bureau of Insurance that the application be approved, and the law applicable hereto, is of the opinion that the application should be approved;

THEREFORE, IT IS ORDERED that the application of George Washington Life Insurance Company, In Liquidation for approval of an assumption reinsurance agreement pursuant to Virginia Code § 38.2-136.C be, and it is hereby, APPROVED.

MOTOR CARRIER DIVISION - AUDITS

CASE NO. MCA900050
FEBRUARY 19, 1993

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION

Ex Parte: In re, Promulgation of regulations relating to Road Tax on Motor Carriers

DISMISSAL ORDER

IT APPEARING to the State Corporation Commission that the passage of the Intermodal Surface Transportation Efficiency Act of 1991 ("ISTEA") and requirements thereunder may conflict with various rules proposed in this case and further action on motor carrier road tax regulations should await the implementation of the mandated federal requirements; accordingly,

IT IS ORDERED:

(1) That this case be, and the same is hereby, dismissed.

CASE NO. MCA920076
JANUARY 6, 1993

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
SOUTHEAST EXPRESS, INC.
Waas Road
P.O. Box 458
Fernandia Beach, Florida 32034,
Defendant

FINAL JUDGMENT ORDER

The Rule to Show Cause issued against the Defendant having come on for hearing on January 4, 1993, and the Commission having found the Defendant to be in violation of the law as alleged; accordingly,

IT IS ORDERED:

(1) That Defendant pay to the Commonwealth a penalty in the sum of $1,000;

(2) That judgment in the amount of $16,205.39 be, and the same is hereby, entered against the Defendant for additional motor fuel road taxes, penalties and interest;

(3) That unless Defendant satisfy the penalty and judgment set forth in (1) and (2) above prior to February 4, 1993, all registration cards, identification markers, stamps, warrants, exemption cards and decals issued by the Commission to the Defendant for motor vehicles owned and operated by the Defendant shall be null and void and all authority issued by the Commission to the Defendant shall be revoked; and

(4) That no authority be hereafter issued by the Commission for the operation by the Defendant of any motor vehicle until the penalty and judgment amounts are satisfied.

CASE NO. MCA920077
JANUARY 6, 1993

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
NATIVE AMERICAN TRUCKING COMPANY, INC.
Route 2, Box 139-A
P.O. Box 456
Maxton, North Carolina 28364,
Defendant

FINAL JUDGMENT ORDER

The Rule to Show Cause issued against the Defendant having come on for hearing on January 4, 1993, and the Commission having found the Defendant to be in violation of the law as alleged; accordingly,

IT IS ORDERED:

(1) That Defendant pay to the Commonwealth a penalty in the sum of $1,000;

(2) That judgment in the amount of $5,199.26 be, and the same is hereby, entered against the Defendant for additional motor fuel road taxes, penalties and interest;

(3) That unless Defendant satisfy the penalty and judgment set forth in (1) and (2) above prior to February 4, 1993, all registration cards, identification markers, stamps, warrants, exemption cards and decals issued by the Commission to the Defendant for motor vehicles owned and operated by the Defendant shall be null and void and all authority issued by the Commission to the Defendant shall be revoked; and

(4) That no authority be hereafter issued by the Commission for the operation by the Defendant of any motor vehicle until the penalty and judgment amounts are satisfied.

CASE NO. MCA920082
DECEMBER 6, 1993

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
UNIVERSAL AM-CAN LTD.
P.O. Box 2007
Warren, Michigan 48090,
Defendant

FINAL JUDGMENT ORDER

This Rule to Show Cause issued against the Defendant having come on for hearing on November 22, 1993, the Defendant offering its proposal for record keeping and the same being acceptable to the Staff; accordingly

IT IS ORDERED:

(1) That, in addition to the records now kept by the Defendant, the Defendant is to maintain the records it reviewed at the hearing, inclusive of, but not limited to the source document for each trip as shown on Exhibit A attached hereto. These documents are to be maintained for a four (4) year period and in such a manner as to be readily available for audit;

(2) That the Defendant will implement the record keeping requirements set forth in (1) above within a reasonable length of time, not to exceed 60 days from the date of this Order. The Defendant is to notify the Motor Carrier Division (Audits) by December 15, 1993, as to the status of the implementation of the record keeping requirements and to further report when the requirements have been fully implemented. The failure of the Defendant to meet the requirements, as set forth above, within 60 days from the date of this order may result in each day thereafter being deemed to be a separate violation of this Order.

NOTE: A copy of Exhibit A entitled "Fuel Trip Sheet" 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. MCA920085
JANUARY 6, 1993

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
VIRGINIA-CAROLINA FREIGHT LINES, INC.
V-C Drive
P.O. Box 4988
Martinsville, Virginia 24115,
Defendant

FINAL JUDGMENT ORDER

The Rule to Show Cause issued against the Defendant having come on for hearing on January 4, 1993, and the Commission having found the Defendant to be in violation of the law as alleged; accordingly,

IT IS ORDERED:

(1) That Defendant pay to the Commonwealth a penalty in the sum of $1,000;

(2) That judgment in the amount of $8,560.80 be, and the same is hereby, entered against the Defendant for additional motor fuel road taxes, penalties and interest;

(3) That unless Defendant satisfy the penalty and judgment set forth in (1) and (2) above prior to February 4, 1993, all registration cards, identification markers, stamps, warrants, exemption cards and decals issued by the Commission to the Defendant for motor vehicles owned and operated by the Defendant shall be null and void and all authority issued by the Commission to the Defendant shall be revoked; and

(4) That no authority be hereafter issued by the Commission for the operation by the Defendant of any motor vehicle until the penalty and judgment amounts are satisfied.

CASE NO. MCA920093
MARCH 4, 1993

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
M & G CONVOY, INC.
1450 West Long Lake Road
P.O. Box 7084
Troy, Michigan 48007,
Defendant

FINAL SETTLEMENT JUDGMENT ORDER

The Defendant herein having indicated a desire not to contest the Rule to Show Cause heretofore directed against it, but rather to settle this case by payment of additional taxes, penalty and interest in the amount of $15,369.99, and the Commission's Staff offering no objection thereto; accordingly,

IT IS ORDERED that the Defendant pay the sum of $15,369.99, which amount having been paid, the case is ordered removed from the docket.

CASE NO. MCA920095
MARCH 4, 1993

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
COMPLETE AUTO TRANSIT, INC.
1450 West Long Lake Road
P.O. Box 7084
Troy, Michigan 48007,
Defendant

FINAL SETTLEMENT JUDGMENT ORDER

The Defendant herein having indicated a desire not to contest the Rule to Show Cause heretofore directed against it, but rather to settle this case by payment of additional taxes, penalty and interest in the amount of $14,728.83, and the Commission's Staff offering no objection thereto; accordingly,

IT IS ORDERED that the Defendant pay the sum of $14,728.83, which amount having been paid, the case is ordered removed from the docket.

CASE NO. MCA930007
MARCH 24, 1993

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
CLEAN HARBORS OF KINGSTON, INC.
1200 Crown Colony Drive
P.O. Box 9137
Quincy, Massachusetts 02269,
Defendant

FINAL SETTLEMENT JUDGMENT ORDER

The Defendant herein having indicated a desire not to contest the Rule to Show Cause heretofore directed against Clean Harbors of Kingston, Inc., but rather to settle this case by payment of the additional taxes, penalty and interest in the amount of $10,107.31, and the Commission's Staff offering no objection thereto; accordingly,

IT IS ORDERED that the Defendant pay the sum of $10,107.31, which amount having been paid, the case is ordered removed from the docket.

CASE NO. MCA930012
JUNE 24, 1993

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
COMBS FREIGHT LINES, INC.
712 Route 1 North
P.O. Box 806
Edison, New Jersey 08818,
Defendant

FINAL SETTLEMENT JUDGMENT ORDER

The Defendant herein having indicated a desire not to contest the Rule to Show Cause heretofore directed against it, but rather to settle this case by payment of the additional taxes, penalty and interest as set forth in the Rule to Show Cause, and the Commission's Staff offering no objection thereto; accordingly,

IT IS ORDERED that the Defendant pay the sum of $7,751.77, which amount having been paid, the case is ordered removed from the docket.

CASE NO. MCA930012
JULY 21, 1993

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
COMBS FREIGHT LINES, INC.
712 Route 1 North
P.O. Box 806
Edison, New Jersey 08818,
Defendant

CORRECTING ORDER

IT APPEARING to the State Corporation Commission that the Final Settlement Judgment Order was issued in the above-captioned matter on June 24, 1993, indicating that the Defendant had paid a seven thousand seven hundred fifty dollar and seventy-seven cent ($7,750.77) penalty in settlement of this case; and

IT FURTHER APPEARING that counsel to the Commission has indicated that seven thousand five hundred seventy-one dollars and seventy-seven cents ($7,571.77) was received in settlement of this case and has requested that the original Final Judgment Order be amended to reflect seven thousand five hundred seventy-one dollars and seventy-seven cents ($7,571.77) as the amount of penalty received from the Defendant; accordingly,

IT IS ORDERED that the Commission's Order of June 24, 1993, be, and the same is hereby, amended to reflect seven thousand five hundred seventy-one dollars and seventy-seven cents ($7,571.77) as the amount of penalty imposed in settlement of this case.

CASE NO. MCA930014
MAY 24, 1993

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
CENTRAL TRANSPORT, INC.
Attn: Tax Department
P.O. Box 80
Warren, Michigan 48090,
Defendant

FINAL SETTLEMENT JUDGMENT ORDER

The Defendant herein having indicated a desire not to contest the Rule to Show Cause heretofore directed against it, but rather to settle this case by payment of the additional taxes, penalty and interest as set forth in the Rule to Show Cause, and the Commission's Staff offering no objection thereto; accordingly,

IT IS ORDERED that the Defendant pay the sum of $12,870.71, which amount having been paid, the case is ordered removed from the docket.

CASE NO. MCA930015
SEPTEMBER 15, 1993

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
MASON DIXON TANK LINES, INC.
12225 Stephens Road
Warren, Michigan 48089,
Defendant

FINAL JUDGMENT ORDER

The Rule to Show Cause issued against the Defendant having come on for hearing on September 13, 1993, and the Commission having found the Defendant to be in violation of the law as alleged; accordingly,

IT IS ORDERED:

(1) That judgment in the amount of $9,334.01 be, and the same is hereby, entered against the Defendant for additional motor fuel road taxes, penalties, and interest; and

(2) That unless Defendant satisfies the judgment set forth in above prior to October 15, 1993, all registration cards, identification markers, stamps, warrants, exemption cards, and decals issued by the Commission to the Defendant for motor vehicles owned and operated by the Defendant shall be null and void, and all authority issued by the Commission to the Defendant shall be revoked;

(3) That no authority be hereafter issued by the Commission to the Defendant for the operation of any motor vehicle until the penalty and judgment amounts are satisfied.

CASE NO. MCA930018
MARCH 18, 1993

IN THE MATTER OF
MED-X-PRESS, INC.
One Erika Plaza
Rockleigh, New Jersey 07647

SETTLEMENT ORDER

IT APPEARING that due to an audit dated January 13, 1993, conducted by the State Corporation Commission's Motor Carrier Division (Audits an assessment in the amount of $6,640.68 was made against Med-X-Press, Inc. Further investigation revealed that the true assessment should have been in the amount of $5,133.15.

IT FURTHER APPEARING that Mid-X-Press, Inc., has made an offer of settlement wherein it has tendered to the Commission the sum of $5,133.15 as settlement of the assessment made by the Commission's Motor Carrier Division, and the Commission's Staff having recommended that the settlement offer be accepted pursuant to the authority granted the Commission by § 12.1-15 of the Code of Virginia; accordingly,

IT IS ORDERED:

(1) That Med-X-Press, Inc's., offer of settlement in this matter be, and the same is hereby, accepted.

CASE NO. MCA930033
JUNE 2, 1993

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
LAND TRANSPORT CORP.
115 Beaver Street
Farmington Hills, Massachusetts 01701,
Defendant

FINAL JUDGMENT ORDER

The Rule to Show Cause issued against the Defendant having come on for hearing on May 24, 1993, and the Commission having found the Defendant to be in violation of the law as alleged; accordingly,

IT IS ORDERED:

(1) That Defendant pay to the Commonwealth a penalty in the sum of $1,000;

(2) That judgment in the amount of $6,526.64 be, and the same is hereby, entered against the Defendant for additional motor fuel road taxes, penalties and interest;

(3) That unless Defendant satisfies the penalty and judgment set forth in paragraphs (1) and (2) above prior to June 26, 1993, all registration cards, identification markers, stamps, warrants, exemption cards and decals issued by the Commission to the Defendant for motor vehicles owned and operated by the Defendant shall be null and void and all authority issued by the Commission to the Defendant shall be revoked;

(4) That no authority be hereafter issued by the Commission for the operation by the Defendant of any motor vehicle until the penalty and judgment amounts are satisfied.

CASE NO. MCA930033
AUGUST 13, 1993

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
LAND TRANSPORT CORP.
115 Beaver Street
Farmington Hills, Massachusetts 01701,
Defendant

JUDGMENT OF COMPROMISE AND SETTLEMENT

IT APPEARING to the State Corporation Commission that by Final Judgment Order dated June 2, 1993, the Defendant was ordered to surrender for cancellation on June 26, 1993, all registration cards, identification markers, stamps, warrants, exemption cards, and decals issued by the Commission unless, before that date, the Defendant paid to the Commonwealth the sum of $6,526.64; and

IT FURTHER APPEARING that the Commission's Motor Carrier Division has requested that the Defendant be allowed to satisfy the judgment by the payment of the judgment amount in six (6) installments of $1,254.44, said installments shall be paid on the 27th of each month commencing on July 27, 1993, said payment having been made; and

THE COMMISSION, upon consideration of said request, is of the opinion that the request should be granted; accordingly,

IT IS ORDERED:

(1) That the Final Judgment Order issued in this case on June 2, 1993 be settled in the manner set forth above;

(2) That the Commission's Motor Carrier Division forthwith allow the Defendant to register its vehicles in Virginia so as to allow it to recommence operating in and through the Commonwealth, for so long as the Defendant is in compliance with the terms of this order.

CASE NO. MCA930036
DECEMBER 7, 1993

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
CENTRAL TRANSPORT, INC.
P.O. Box 80
Warren, Michigan 48090,
Defendant

FINAL JUDGMENT ORDER

This Rule to Show Cause issued against the Defendant having come on for hearing on November 22, 1993, and the Commission having found the Defendant to be in violation of the law as alleged; accordingly,

IT IS ORDERED:

(1) That the Defendant is to maintain records of beginning and ending odometer or hubometer readings, as well as routes of travel for each movement made by individual vehicles used in the operations of the Defendant. These documents are to be maintained for a four (4) year period and in such a manner as to be readily available for audit;

(2) That the Defendant will implement the record keeping requirements set forth in (1) above within a reasonable length of time, not to exceed 60 days from the date of this Order. The Defendant is to notify the Motor Carrier Division (Audits) by December 30, 1993, as to the status of the implementation of the record keeping requirements and to further report when the requirements have been fully implemented. The failure of the Defendant to meet the requirements, as set forth above, within 60 days from the date of this Order, may result in each day thereafter being deemed to be a separate violation of this Order.

CASE NO. MCA930037
DECEMBER 6, 1993

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
U. S. TRUCK COMPANY, INC.,
Defendant

FINAL JUDGMENT ORDER

This Rule to Show Cause issued against the Defendant having come on for hearing on November 22, 1993, and the Commission having found the Defendant to be in violation of the law as alleged; accordingly,

IT IS ORDERED:

(1) That the Defendant is to maintain records of beginning and ending odometer or hubometer readings, as well as routes of travel for each movement made by individual vehicles used in the operations of the Defendant. These documents are to be maintained for a four (4) year period and in such a manner as to be readily available for audit;

(2) That the Defendant will implement the record keeping requirements set forth in (1) above within a reasonable length of time, not to exceed 60 days from the date of this Order. The Defendant is to notify the Motor Carrier Division (Audits) by December 30, 1993, as to the status of the implementation of the record keeping requirements and to further report when the requirements have been fully implemented. The failure of the Defendant to meet the requirements, as set forth above, within 60 days from the date of this Order, may result in each day thereafter being deemed to be a separate violation of this Order.

CASE NO. MCA930038
JULY 20, 1993

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
TRI-STATE MOTOR TRANSIT CO.
East 7th Street Road
P.O. Box 113
Joplin, Missouri 64802,
Defendant

FINAL SETTLEMENT JUDGMENT ORDER

The Defendant herein having indicated a desire not to contest the Rule to Show Cause heretofore directed against it, but rather to settle this case by payment of the additional taxes, penalty, and interest as set forth in the Rule to Show Cause, and the Commission's Staff offering no objection thereto; accordingly,

IT IS ORDERED that the Defendant pays the sum of $23,098.55, which amount having been paid, the case is ordered removed from the docket.

CASE NO. MCA930040
SEPTEMBER 27, 1993

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
MISSOURI NEBRASKA EXPRESS INC.
5310 St. Joseph Avenue
Box 939
St. Joseph, Missouri 64502,
Defendant

FINAL JUDGMENT ORDER

The Rule to Show Cause issued against the Defendant having come on for hearing on September 13, 1993, and the Commission having found the Defendant to be in violation of the law as alleged; accordingly,

IT IS ORDERED:

(1) That the Defendant is to report all fuel placed in the supply tank of all subject motor vehicles as total fuel when filing future Motor Fuel Road Tax Reports involving the Commonwealth of Virginia;

(2) That unless Defendant satisfies the conditions set forth in paragraph (1) above prior to October 25, 1993, all registration cards, identification markers, stamps, warrants, exemption cards and decals issued by the Commonwealth to the Defendant for motor vehicles owned and operated by the Defendant shall be null and void and shall be surrendered for cancellation.

CASE NO. MCA930056
OCTOBER 19, 1993

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
ALAN WILLIAM TRANSFER CO., INC.
2500 83rd Street
Building 8 South
North Bergen, New Jersey 07047,
Defendant

FINAL JUDGMENT ORDER

The Rule to Show Cause issued against the Defendant having come on for hearing on October 18, 1993, and the Commission having found the Defendant to be in violation of the law as alleged; accordingly,

IT IS ORDERED:

(1) That Defendant pay to the Commonwealth a penalty in the sum of $1,000;

(2) That judgment in the amount of $6,607.45 be, and the same is hereby, entered against the Defendant for additional motor fuel road taxes, penalties, and interest;

(3) That unless Defendant satisfies the penalty and judgment set forth in paragraphs (1) and (2) above prior to November 17, 1993, all registration cards, identification markers, stamps, warrants, exemption cards, and decals issued by the Commission to the Defendant for motor vehicles owned and operated by the Defendant shall be null and void, and all authority issued by the Commission to the Defendant shall be revoked;

(4) That no authority be hereafter issued by the Commission to the Defendant for the operation of any motor vehicle until the penalty and judgment amounts are satisfied.

CASE NO. MCA930065
NOVEMBER 29, 1993

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
G. G. PARSONS TRUCKING COMPANY
U.S. Highway 421, South
P.O. Box 1085
North Wilkesboro, North Carolina 28659,
Defendant

FINAL SETTLEMENT JUDGMENT ORDER

The Defendant herein having indicated a desire not to contest the Rule to Show Cause heretofore directed against it, but rather to settle this case by payment of the usual and customary penalty imposed in like cases, and the Commission's Staff offering no objection thereto; accordingly,

IT IS ORDERED that the Defendant be penalized in the sum of $6,891.37, which amount having been paid, this case is ordered removed from the docket.

CASE NO. MCA930068
NOVEMBER 18, 1993

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
UNITED VAN LINES, INC.
One United Drive
Fenton, Missouri 63026,
Defendant

FINAL SETTLEMENT JUDGMENT ORDER

The Defendant herein having indicated a desire not to contest the Rule to Show Cause heretofore directed against United Van Lines, Inc., but rather to settle this case by payment of the additional taxes, penalty, and the Commission's Staff offering no objection thereto; accordingly,

IT IS ORDERED that the Defendant pays the sum of $72,494.64, which amount having been paid, the case is ordered removed from the docket.

CASE NO. MCA930069
NOVEMBER 15, 1993

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
ATLANTIC COAST EXPRESS, INC.
50 Cragwood Drive
South Plainfield, New Jersey 07201,
Defendant

FINAL SETTLEMENT JUDGMENT ORDER

The Defendant herein having indicated a desire not to contest the Rule to Show Cause heretofore directed against Atlantic Coast Express, Inc., but rather to settle this case by payment of the additional taxes, penalty, and interest due. The Commission's Staff offering no objection thereto; accordingly,

IT IS ORDERED that the Defendant pays the sum of $29,076.66, which amount having been paid, the case is ordered removed from the docket.

MOTOR CARRIER DIVISION - OPERATIONS

CASE NO. MCO930426
OCTOBER 12, 1993

IN THE MATTER OF
SINGLE STATE INSURANCE REGISTRATION PROGRAM

ORDER ADOPTING RULES AND REGULATIONS

WHEREAS, the Congress of the United States enacted Public Law 102-140 which in part amended 49 U.S.C. § 11506 - Registration of Motor Carriers by a State;

WHEREAS, the Interstate Commerce Commission, by Order Ex Parte No. M-100 mandated that each state participating in the Single State Insurance Registration Plan must adopt a registration system in compliance with the regulations adopted by it within the said Order; and

WHEREAS, § 56-304.15 of the Code of Virginia, as amended, directs the Commission to implement any such regulations as needed to participate in federally mandated programs intended to accomplish objectives similar to those provided in Title 56, Chapter 12; and

FURTHER, that by Administrative Order entered herein on the 29th day of July 1993, this Commission set forth its intent to adopt the Rules and Regulations set forth in exhibit A attached hereto, and to that end caused to be published a copy of said order and Rules and Regulations. The Order also allowed for public comments, objections, or requests for hearing to be filed prior to the 28th day of September 1993. None were filed;

IT FURTHER APPEARING, to this Commission that the attached Rules and Regulations are to replace those regulations adopted by Order of this Commission on June 1, 1971, and revised on February 14, 1978; accordingly,

IT IS ORDERED:

(1) That the Commission adopts, effective immediately, the Rules and Regulations set forth in Exhibit A attached hereto; and

(2) That those regulations adopted by the Order of this Commission dated June 1, 1971 and revised by order dated February 14, 1978 be revoked, effective January 1, 1994.

NOTE: A copy of the Regulation entitled "Single State Insurance Registration" 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.

MOTOR CARRIER DIVISION - RATES AND TARIFFS

CASE NO. MCS920064
MARCH 16, 1993

APPLICATION OF
LINWOOD A. MARTENS, t/a RAINBOW CHARTER

For a certificate of public convenience and necessity as a sight-seeing and special or charter party carrier by boat

FINAL ORDER

On July 28, 1992, a hearing was conducted before Senior Hearing Examiner Russell W. Cunningham on this application for a certificate of public convenience and necessity as a sight-seeing and special or charter party carrier by boat. Linwood A. Martens, t/a Rainbow Charter (Applicant) was represented by Randolph H. Harry, Esq. Thomas W. Moss, Jr., Esq., represented Protestant, Frederick H. Feller, and Graham G. Ludwig, Esq., represented the Commission. Terry L. Browning, President of the Browning Group, Inc., appeared at the hearing without counsel and testified in opposition to the application as an intervenor.

Applicant seeks authority to provide cruises in the Virginia Beach area, originating in the Lynnhaven River area, exiting Lynnhaven Inlet, proceeding north in the Chesapeake Bay to the South Island of the Chesapeake Bay Bridge-Tunnel, then turning southeast to Cape Henry Lighthouse, and returning to the Lynnhaven Inlet area. Applicant proposes morning, afternoon and evening cruises from April 1 until December 31, and morning and afternoon cruises from January 1 until March 31. During winter months when whales are sighted offshore, Applicant proposes a second route for whale, dolphin and/or bird watching tours, again originating in the Lynnhaven River area, passing through Lynnhaven Inlet, traveling east in the Chesapeake Bay beyond Cape Henry for approximately three miles into the Atlantic Ocean, then returning through Lynnhaven Inlet. The Applicant proposes to run whale-watching tours from January 1 through March 31.

Applicant's boat, Rainbow, is a 65-foot headboat with a capacity of 75 passengers, with 35 seats inside and 40 seats outside of the cabin. Applicant proposes to make available only snacks on its excursions, and will not serve meals or alcoholic beverages.

Intervenor Browning operates a certificated cruise vessel, the Discovery, that offers luncheon, dinner and party cruises in an enclosed 80-foot luxury vessel. The Discovery cruises the calm, inland waters of Virginia Beach, including Linkhorn Bay, Broad Bay, Long Creek and the Lynnhaven River. Mr. Browning fears that competition from Applicant would be ruinous to his business.

Protestant Feller also is an existing certificate holder. He offers sight-seeing cruises on the Miss Virginia Beach that originate in the Rudee Inlet area, travel north in the Atlantic Ocean to Cape Henry, and return to Rudee Inlet. The Miss Virginia Beach has a capacity of 112 passengers. Between January and mid-March of 1992, Feller ran 100 whale-watching cruises. He opposes the application primarily because he fears additional competition for his whale-watching tours. Protestant Feller contends that the public convenience and necessity do not require the granting of the application, and that such granting would result in unreasonable and ruinous competition for his operation.

On November 19, 1992, the Hearing Examiner issued his Final Report finding that the Applicant failed to carry the burden of proving a need for the proposed service, and therefore, that the public convenience and necessity do not require the issuance of the certificate to the Applicant. The Hearing Examiner did find that Applicant is fit, willing and able to provide the service for which he applied. The Hearing Examiner recommended that the Commission enter an order denying the application. No comments to the Hearing Examiner's Report were filed.

The Commission finds that sufficient evidence was presented to support the existence of public convenience and necessity regarding the proposed service. The close connection between the Applicant and his witnesses may properly be considered in determining the weight to be given their testimony, but it does not render their testimony lacking in probative value.

The Commission recognizes that it denied a similar application in Application of Linwood A. Martens t/a Chesapeake Bay Cruises, Case No. MCS910006, because Applicant did not sustain its burden of proving public need. Counsel for the Protestant argued that because the applicant, boat, routes, and issues are the same in this proceeding as in Case No. MCS910006, this application similarly should be denied. The Commission disagrees. In Case No. MCS910006, the Commission found that the record did not support a finding that public need existed for the service. In that proceeding, Martens presented only one witness who mentioned receiving a few inquiries about such service in the face of persuasive evidence presented in opposition to his application. In this proceeding, Applicant presented sufficient evidence to meet the burden of proving a public need for his proposed service.

In addition, the Commission believes that Applicant's proposed service is significantly different from those of Intervenor Browning and Protestant Feller, and will not create ruinous competition. The points of origin for Intervenor Browning's existing cruises and Applicant's proposed tours are five to six miles apart. Except for a brief overlap in the Lynnhaven Bay area, the routes are entirely different. Applicant proposes to tour points of interest on the shores of the open waters of the Chesapeake Bay and Atlantic Ocean in a headboat (fishing-type boat) while providing only snacks. Intervenor Browning offers full lunch and dinner and party cruises in an enclosed luxury vessel along the calm inland waters of Virginia Beach, with sight-seeing that emphasizes residential areas and golf courses. The points of origins of Protestant Feller and Applicant are approximately ten miles apart. Feller estimated that Applicant's primary route would overlap his by one-half mile. Feller's route travels entirely in the Atlantic Ocean, while Applicant proposes to tour the Chesapeake Bay and extend out into the Atlantic Ocean only for whale-watching expeditions during the months of January through March.

The Commission finds that a sight-seeing and charter party certificate should be granted to Applicant, with the following restrictions:

(1) Applicant must adhere strictly to the sight-seeing and charter party routes set forth in its application, traveling only in the southern end of the Chesapeake Bay and into the Atlantic Ocean. For the purposes of this certificate, Applicant may travel the inland waters only for ingress and egress to the Chesapeake Bay and Atlantic Ocean. Applicant may not provide such service on any other route, including routes in the adjacent inland waters, even if weather does not permit touring of the Chesapeake Bay or Atlantic Ocean. Applicant may follow its whale, dolphin and/or bird watching route extending into the Atlantic Ocean only during the months of January through March.

(2) Applicant may serve only snacks, and may not serve meals or alcoholic beverages. Snacks include prepackaged ready-to-eat foods requiring no additional preparation, such as crackers, fruit and candy bars.

Any deviation from the proposed routes or food and beverage service would subject Applicant to the possibility of fines, penalties and revocation of its certificate.

UPON CONSIDERATION of the record in this case, including the application and the Hearing Examiner's Report, the Commission finds that the Applicant is fit, willing and able to provide the proposed service, and has met its burden of proof by presenting sufficient evidence to show public need for its service, and that the public convenience and necessity require that the application, as restricted above, be granted; accordingly,

IT IS ORDERED:

(1) That the application is hereby GRANTED, subject to route, food and beverage service restrictions set forth above.

CASE NO. MCS920065
MARCH 16, 1993

APPLICATION OF
NANCY ANNE CHARTERS, INC.

For a certificate of public convenience and necessity as a sight-seeing and special or charter party carrier by boat

FINAL ORDER

On July 15, 1992, a hearing was conducted before Senior Hearing Examiner Russell W. Cunningham on this application for a certificate of public convenience and necessity as a sight-seeing and special or charter party carrier by boat. Nancy Anne Charters, Inc. (Applicant) was represented by Glenn R. Croshaw, Esq. and Deborah S. Kirkpatrick, Esq. Graham G. Ludwig, Esq., represented the Commission. Terry L. Browning, President of the Browning Group, Inc., appeared at the hearing without counsel and testified in opposition to the application as an intervenor. No protests were filed.

Applicant seeks authority to provide evening cruises originating in the Lynnhaven Inlet area, traveling west into the Chesapeake Bay toward Little Creek and the U.S. Navy Amphibious Base, proceeding northeast to the South Island of the Chesapeake Bay Bridge-Tunnel, then southeast to Cape Henry Lighthouse, and returning to Lynnhaven Inlet. These cruises will be offered from Memorial Day weekend through Labor Day weekend. Applicant's original application proposed both evening and afternoon cruises, but was later amended to eliminate the afternoon cruises. During the months when whales are sighted offshore, Applicant proposes whale-watching tours originating in the Lynnhaven Inlet area, traveling east beyond Cape Henry approximately three miles into the Atlantic Ocean, and returning to Lynnhaven Inlet. Applicant proposes to follow this route only for whale-watching purposes.

Applicant's boat, the Nancy Anne, is a 61-foot headboat with a capacity of 65. The Nancy Anne has a cabin covering two-thirds of the vessel and benches on the open-air deck surrounding the outside of the cabin. Applicant proposes to make available only snacks on its excursions, and will not serve meals or alcoholic beverages.

Intervenor Browning operates a certificated cruise vessel, the Discovery, that offers lunch, dinner and party cruises in an enclosed 80-foot luxury vessel. The Discovery cruises the calm, inland waters of Virginia Beach, including Linkhorn Bay, Broad Bay, Long Creek and the Lynnhaven River. Mr. Browning fears that competition from Applicant would be ruinous to his business.

On September 18, 1992, the Hearing Examiner issued his Final Report finding that the public convenience and necessity require the issuance of the certificate to the Applicant. The Hearing Examiner found that Applicant is fit, willing and able to provide the service applied for, that there is clearly a public need for the proposed service, and that because Discovery's cruises are significantly different from the tours proposed by Applicant, approving the application would not create ruinous competition for the existing carrier. The Hearing Examiner further recommended that the Commission enter an order granting the application and directing the issuance of the proposed certificate. No comments were filed to the Hearing Examiner's Report.

The Commission agrees with the Hearing Examiner that the sight-seeing and charter party certificate should be granted to Applicant, with the following restrictions:

(1) Applicant must adhere strictly to the sight-seeing and charter party routes set forth in its application, as amended, traveling only in the southern end of the Chesapeake Bay and into the Atlantic Ocean. For the purposes of this certificate, Applicant may travel the inland waters only for ingress and egress to the Chesapeake Bay and Atlantic Ocean. Applicant may not provide such service on any other route, including routes

in the adjacent inland waters, even if weather does not permit touring of the Chesapeake Bay or Atlantic Ocean. Applicant may follow its specified whale-watching route extending into the Atlantic Ocean only during the months of January through April.

(2) Applicant may serve only snacks, and may not serve meals or alcoholic beverages. Snacks include prepackaged ready-to-eat foods requiring no additional preparation, such as crackers, fruit and candy bars.

Any deviation from the proposed routes or food and beverage service would subject Applicant to the possibility of fines, penalties and revocation of its certificate.

UPON CONSIDERATION of the record in this case, including the application and the Hearing Examiner's Report, the Commission finds that the Applicant is fit, willing and able to provide the proposed service, and has met its burden of proof by presenting sufficient evidence to show public need for its service, and that the public convenience and necessity require that the application, as amended and as restricted above, be granted; accordingly,

IT IS ORDERED:

(1) That the application, as amended, is hereby GRANTED, subject to route, food and beverage service restrictions set forth above.

CASE NO. MCS920125
FEBRUARY 22, 1993

APPLICATION OF
MCCAULEY BROTHERS, INC.

For a certificate of public convenience and necessity as a household goods carrier

FINAL ORDER

ON ANOTHER DAY, the Commission ordered that a public hearing be held before a Hearing Examiner on September 21, 1992, to receive evidence on this application for a certificate of public convenience and necessity as a household goods carrier.

ON THE APPOINTED DAY, the hearing was held before Senior Hearing Examiner Russell W. Cunningham. Paul M. Shuford, Esquire appeared as counsel for the Applicant, Donald M. Schubert, Esquire appeared as counsel for the Protestant, Paul Arpin Van Lines, Inc. Charles W. Hundley, Esquire, appeared as counsel for the Protestants, Interstate Van Lines, et al. Graham G. Ludwig, Jr., Esquire, appeared as counsel to the Commission. No interveners participated in the proceeding.

At the conclusion of the hearing, the Examiner announced his findings from the bench recommending that the application be denied. Responses and comments to the Hearing Examiner's Report were timely filed and, at the request of the Applicant, oral arguments of the parties were heard by the Commission.

Upon consideration of the application, the record before the Hearing Examiner, the Report of the Hearing Examiner, the comments thereto, and the oral arguments of the parties, the Commission is of the opinion, and so finds, that the application should be denied because, based on the evidence presented, it was not demonstrated that the proposed operation was justified by public convenience and necessity; accordingly,

IT IS ORDERED:

(1) That the application of McCauley Brothers, Inc. be, and the same is hereby, denied.

CASE NO. MCS920125
JUNE 21, 1993

APPLICATION OF
MCCAULEY BROTHERS, INC.

For a certificate as a households goods carrier

Opinion, Moore, Commissioner

McCauley Brothers, Inc. ("Applicant") applied to the Commission on July 8, 1992, for authority under Chapter 12.1 of Title 56 of the Code of Virginia to transport household goods among all points in Virginia. Applicant currently holds Interstate Commerce Commission rights to move household goods interstate throughout the continental United States and intrastate rights in the District of Columbia and the states of Kansas and Maryland (by deregulation). The Application stated that Applicant continually receives requests to move customers within Virginia, and needs intrastate authority better to serve its customers and the needs of the Government Services Administration's ("GSA's") traffic management program. (Application at page 2.)

The Commission received two Protests, representing twelve Protestants, on September 11, 1992. The Protestants included: (1) Paul Arpin Van Lines, Inc., an existing intrastate household goods carrier certificate holder, represented by Calvin F. Major, Esquire; and (2) Interstate Van Lines, Hilldrup Moving & Storage, Paxton Van Lines, Inc., J.K. Moving & Storage, Lawrence Transportation Systems, Inc., Centre Carriers Corp., Security Storage of D.C., Pullen Moving & Storage, Victory Van Corporation, Crowder Transfer & Storage, and Joe Moholland Moving, existing intrastate household goods carrier certificate holders, represented by Charles W. Hundley, Esquire.

Senior Hearing Examiner Russell W. Cunningham conducted a hearing on September 21, 1992. Applicant presented one witness, Jean Scott, Accountant, Office Manager, and Government Contracting Officer for Applicant. She presented evidence of Applicant's fitness and ability to provide the service by sponsoring a financial statement and list of equipment. She also testified as to the public convenience and necessity of the proposed service; this testimony will be discussed further below. Protestants presented three witnesses, each an employee of another household goods carrier. Each of Protestants' witnesses testified that demand for intrastate household goods moving services has declined in recent years. One witness attributed this decline in business to an increase in the number of carriers providing this service. (Transcript at 89.)

The Hearing Examiner delivered his Report from the bench at the conclusion of the hearing. He determined that Applicant is fit, willing, and able to provide the service, but that no evidence was presented to support a finding that the public convenience and necessity requires it. He stated that no witness testified as to the need for additional household goods transportation within the Commonwealth.

The Protestants represented by Mr. Hundley filed a response to the Hearing Examiner's Report in which they requested that the Commission accept the findings and recommendations of the Hearing Examiner and deny the Application. Protestant Paul Arpin Van Lines, Inc. did not file a response to the Report.

On November 17, 1992, Applicant responded to the Examiner's Report by requesting that the Commission review the transcript and exhibits and grant the requested certificate. It further requested that, if the Commission was not inclined to grant the certificate, it be allowed the opportunity to present oral argument. Applicant agreed generally with the Examiner's finding of facts, but contended that he misapplied the phrase "public convenience and necessity" as related to household goods carriers. Citing several passenger common carrier cases to the effect that it need not show "an imperative need rooted in public hardship," Applicant argued that the standard applied to household goods carriers should allow a liberal interpretation of "convenience and necessity" in order to permit reasonable competition.

Applicant stated that it had applied for the certificate at the specific "invitation" of the GSA, which acts as booking agent for moving household goods for employees of several federal agencies. It admitted that numerous other carriers are willing and able to provide such services, but the fact that the Applicant received high GSA ratings led the GSA to invite it to increase the scope of its service. Applicant stated that, because it already has blanket interstate authority and intrastate rights in Kansas, Maryland, and the District of Columbia, the only sensible option open to allow it to increase its services by the amount stated in the GSA invitation was to acquire intrastate rights in Virginia. Applicant contended that its high ratings, coupled with the liberal interpretation of "convenience and necessity" when applied to household goods carriers, met the public convenience and necessity test.

The Commission issued an Order Scheduling Hearing on January 26, 1993, to allow parties to present oral argument. The Commission entertained oral argument by the parties on February 9, 1993, and issued a Final Order denying the Application on February 22, 1993.

Virginia Code § 56-338.11 states that if the Commission finds the proposed household goods moving operation is justified by public convenience and necessity, then the Commission shall issue a certificate to the applicant subject to such terms, limitations, and restrictions as the Commission may deem proper. The statute also provides that if the Commission finds the proposed operation is not justified, the application shall be denied. Va. Code § 56-338.11 (1986 Repl. Vol.).

The Commission finds that Applicant has failed to carry its burden of proving that the proposed operation is justified by public convenience and necessity. Indeed, Applicant presented virtually no evidence to that end. In the hearing before the Hearing Examiner on September 21, 1992, Applicant called only one witness, Ms. Scott. She testified that Applicant currently provides interstate moving services for the GSA, and that the GSA had requested or invited Applicant to increase its scope of service. (Transcript at 14.)

The GSA's "invitation" consists of a one-page form letter dated October 30, 1991 marked as Exhibit No. Applicant-3. (Transcript at 20.) The GSA letter discusses a Centralized Household Goods Traffic Management Program Household Goods Performance Index ("PI"). The PI measures a carrier's performance against the average level of performance by all carriers that the GSA utilizes. The letter states:

> An index greater than 105 indicates a carrier is performing better than average and may increase its scope of operation if it so desires.
>
> Your firm's PI is 123.22. Because your firm's index is greater than 105, your firm is providing a high level of service within its scope of operation; therefore, your firm has the option to increase its scope of operation by 59.21% or 60 number of service-area pair(s). If your firm's scope of operation will be increased for the 1992-93 filing cycle, you must complete the attached form in its entirety and return it to [the GSA] for review and acceptance.

The underscored numbers were blanks that had been filled in by hand.

Applicant relies on the GSA letter quoted above to meet its burden of proving public convenience and necessity. The meaning and import of that letter is unclear to the Commission, and additional evidence would have been necessary to demonstrate convenience and necessity. No one from the GSA appeared to explain the letter, nor was any other evidence of its meaning and import presented. At its best, we do not read the letter as indicating any "need" for increased service in Virginia, or that more service in Virginia would be "convenient," in GSA's opinion. Rather, the letter simply gives Applicant the "option to increase its scope of operation" (emphasis supplied) due to the high evaluation score. The GSA letter gives no indication in which state, if any, it needs additional service. The letter makes no mention of a need for intrastate service in the Commonwealth of Virginia, or in any other particular state. Moreover, the witness for Applicant admitted that the GSA letter does not necessarily mean that Applicant will get more business. (Transcript at 18-19.)

Protestants objected to the GSA letter as hearsay. Though the Hearing Examiner overruled the objection and admitted the letter, that decision is certainly not free from doubt, particularly in light of the fact that the letter in question is the piece of evidence on which Applicant relies most heavily. Protestants had no opportunity for cross-examination as to the letter's contents, and, as noted above, the meaning of the letter is far from certain. No one appeared on behalf of either the customer (the GSA), or the federal agencies on whose behalf the GSA acts, to support the public necessity of the proposed service. It was asserted by Applicant that the GSA has a policy against such appearances for statements of support, but no evidence was presented to prove that GSA officials would not have been amenable to a subpoena, had Applicant requested one. Moreover, even had Applicant proven that the GSA either could not legally, or would not for policy reasons, lend support to its Application, this fact alone could not have relieved Applicant of its burden of proving public convenience and necessity. While it is not clear to the Commission that we should consider the GSA letter, we do consider it. The GSA letter, however, does not provide sufficient evidence of need in Virginia.

The Commission recognizes that Applicant provides a high quality of service to its customers. We also recognize that other companies are ready, willing, and able to provide similar services. The evidence in the record does not justify the issuance of a certificate of public convenience and necessity for a household goods carrier.

CASE NO. MCS920143
JANUARY 13, 1993

APPLICATION OF
COURTESY MOTOR COACH, INC.

For a certificate of public convenience and necessity as a sight-seeing carrier of passengers

FINAL ORDER

ON ANOTHER DAY, the Commission ordered that a public hearing be held before a Hearing Examiner on December 3, 1993, to receive evidence on this Application for a certificate of public convenience and necessity as a sight-seeing carrier of passengers.

ON THE APPOINTED DAY, the Application came on for hearing before Hearing Examiner Howard P. Anderson. Arelia S. Langhorne, Esquire appeared as counsel for the Applicant. Graham G. Ludwig, Jr., Esquire, appeared as counsel to the Commission. Aubrey J. Rosser, Jr., Esquire appeared as counsel for the Protestants - Alonzo D. Walthall and Houston Walthall. Calvin F. Major, Esquire and Ted Schubert, Esquire appeared as counsel for the Protestants - Abbott Bus Lines, Golden Tours, Inc. and Lynchburg Bus Service, Inc. No intervenors appeared or participated at the hearing.

After considering the evidence presented in the case, the Hearing Examiner found that:

(1) The Applicant is fit, willing and able to provide the service requested;

(2) The Applicant can and will comply with all provisions of law and the rules and regulations of the Commission; and

(3) The Application is proper and the public's convenience and necessity will be served.

The report of the Hearing Examiner was filed with the transcript of the hearing on December 22, 1992, and no comments were filed.

Upon consideration of the Application, the evidence introduced at the hearing, and the report of the Hearing Examiner, the Commission is of the opinion and finds that the Application is proper, and the public convenience and necessity will be served by the granting of this application; accordingly,

IT IS ORDERED:

(1) That a certificate of public convenience and necessity as a sight-seeing carrier of passengers, as set forth in the Application, be, and the same is hereby, granted.

CASE NO. MCS920143
JANUARY 27, 1993

APPLICATION OF
COURTESY MOTOR COACH, INC.

For a certificate of public convenience and necessity as a special or charter party carrier by motor vehicle

CORRECTING ORDER

IT APPEARING to the State Corporation Commission that a Final Order was issued in this case on January 13, 1993 whereby the Applicant was granted a certificate of public convenience and necessity as a sight-seeing carrier when in fact it should have been granted a certificate as a special or charter party carrier; and

IT FURTHER APPEARING that the Order should have included a restriction to the certificate whereby the carrier may only operate one bus under the certificate; accordingly,

IT IS ORDERED that the Commission's Order of January 13, 1993, be, and the same hereby is, amended to reflect that the Applicant is granted a certificate of public convenience and necessity as a special or charter party carrier by motor vehicle from points of origin located in the Counties of Bedford, Campbell and Appomattox as well as the City of Lynchburg and is restricted to the operation of one bus under the certificate.

CASE NO. MCS920143
FEBRUARY 8, 1993

APPLICATION OF
COURTESY MOTOR COACH, INCORPORATED

For a certificate of public convenience and necessity as a special or charter party carrier by motor vehicle

CORRECTING ORDER

IT APPEARING to the State Corporation Commission that a Correcting Order was entered on January 27, 1993, whereby the Final Order of January 13, 1993, was amended to reflect certain changes. One of the points of origin that the Hearing Examiner had recommended was Amherst County. Accordingly,

IT IS ORDERED that the Commission's Orders of January 13 and January 27, 1993 be, and the same are hereby, amended to reflect that the Applicant is granted a certificate of public convenience and necessity as a special or charter party carrier by motor vehicle from points of origin located in the counties of Amherst, Bedford, Campbell, and Appomattox, as well as the city of Lynchburg, with the restriction that the applicant may only operate on bus under the certificate.

CASE NO. MCS920147
FEBRUARY 1, 1993

APPLICATION OF
RECREATIONAL CONCEPTS, INC.

For a certificate of public convenience and necessity as a sight-seeing and special or charter party carrier by boat

FINAL ORDER

ON ANOTHER DAY, the Commission ordered that a public hearing be held before a Hearing Examiner on November 9, 1992, to receive evidence on this Application for a certificate of public convenience and necessity as a sight-seeing and special or charter party carrier by boat. Applicant seeks authority to provide service as shown on Appendix A attached hereto.

ON THE APPOINTED DAY, the hearing was held before Senior Hearing Examiner Russell W. Cunningham. Graham G. Ludwig, Jr., Esquire, appeared as counsel to the Commission. F. Sullivan Callahan, Esquire appeared as counsel for the Applicant. No interveners or Protestants participated.

At the conclusion of the hearing, the Examiner announced his findings from the bench and advised counsel of record that he would recommend that the Commission enter an order granting the Application. The fifteen day (15) comment period has passed and no comments were filed.

The Hearing Examiner made the following findings:

(1) The Applicant is fit, willing and able to render adequate and reliable service as a sight-seeing and special or charter party carrier by boat; and

(2) The Application is warranted by the public convenience and necessity.

UPON CONSIDERATION of the Application and the Hearing Examiner's Report and the transcript, the Commission is of the opinion and finds that the Application is justified by public convenience and necessity and should be granted; accordingly,

IT IS ORDERED:

(1) That the Hearing Examiner's findings be, and the same are hereby, adopted in their entirety;

(2) That Recreational Concepts, Inc. is granted a certificate of public convenience and necessity as a sight-seeing and special or charter party carrier by boat as shown on Appendix A attached hereto upon the Applicant's meeting all requirements set forth in Chapter 14.1 of Title 56.

NOTE: A copy of Appendix A 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. MCS920159
JANUARY 21, 1993

APPLICATION OF
BYWAYS TRAVEL AGENCY, INC.,
Transferor
and
GREAT ATLANTIC TRAVEL AND TOURS, INC.,
Transferee

To transfer license to broker the transportation of passengers by motor vehicle No. B-19

FINAL ORDER

ON ANOTHER DAY the Commission ordered that a public hearing be held before a Hearing Examiner on January 15, 1993 to receive evidence on this Application for the transfer of a license to broker the transportation of passengers by motor vehicle No. B-19.

ON THE APPOINTED DAY, the hearing was held before Senior Hearing Examiner Russell W. Cunningham. Michael A. Inman, Esquire, appeared as counsel for the Applicants. Graham G. Ludwig, Jr., Esquire appeared as counsel for the Commission. No protestants or interveners appeared or participated at the hearing.

After considering the evidence presented in the case, the Hearing Examiner found:

(1) That the Transferee is fit, willing and able to provide the services required under the transfer of certificate No. B-19;

(2) That the Transferee can and will comply with all provisions of law and the Rules and Regulations of the Commission; and

(3) That the Application is proper and in the public interest.

At the conclusion of the hearing on this Application, the Hearing Examiner announced the above findings and advised counsel for the Applicants that he would recommend that the Commission enter an Order granting the Application. Counsel then waived his right to file any comments to the Hearing Examiner's Report and the customary fifteen (15) day comment period was determined to be unnecessary.

Upon consideration of the Application and the Hearing Examiner's Report, the Commission is of the opinion, and so finds, that the Application is proper and in the public interest and should be granted; accordingly,

IT IS ORDERED:

(1) That the findings of the Hearing Examiner's Report be, and the same are hereby, adopted;

(2) That the transfer of License No. B-19 as a broker of the transportation of passengers by motor vehicle be, and the same is hereby, granted.

CASE NO. MCS920163
JANUARY 22, 1993

APPLICATION OF
CAMDEN MOVING & STORAGE, INC.,
Transferor
and
MAC'S MOVING & STORAGE, INC.,
Transferee

To transfer certificate of public convenience and necessity as a household goods carrier No. HG-422

FINAL ORDER

ON ANOTHER DAY the Commission ordered that a public hearing be held before a Hearing Examiner on January 8, 1993 to consider this Application to transfer certificate of public convenience and necessity as household goods carrier No. HG-422 which authorizes the holder thereof to transport household goods between all points in Virginia.

ON THE APPOINTED DAY, the hearing was held before Hearing Examiner Howard P. Anderson, Jr. Robert T. Wandrei, Esquire, appeared as counsel for the Applicants. Graham G. Ludwig, Jr., Esquire appeared as counsel for the Commission. No protests were filed and no intervener(s) participated in the proceeding.

After considering the evidence presented in the case, the Hearing Examiner found:

(1) That the Transferee is fit, willing and able to provide the services required under the transfer of certificate No. HG-422;

(2) That the Transferee can and will comply with all provisions of law and the Rules and Regulations of the Commission; and

(3) That the Application is proper and in the public interest.

At the conclusion of the hearing on this Application, the Hearing Examiner announced the above findings and advised counsel for the Applicants that he would recommend that the Commission enter an Order granting the Application. Counsel then waived his right to file any comments to the Hearing Examiner's Report and the customary fifteen (15) day comment period was determined to be unnecessary.

Upon consideration of the Application and the Hearing Examiner's Report, the Commission is of the opinion, and so finds, that the Application is proper and in the public interest and should be granted; accordingly,

IT IS ORDERED:

(1) That the findings of the Hearing Examiner's Report be, and the same are hereby, adopted;

(2) That the transfer of certificate of public convenience and necessity as a household goods carrier No. HG-422 be, and the same is hereby, granted.

CASE NO. MCS920164
JANUARY 14, 1993

APPLICATION OF
SAYED A. EL-HAMALAWY

For a certificate as an executive sedan carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission that Sayed A. El-Hamalawy ("Applicant") filed an Application with the Commission requesting a certificate as an executive sedan carrier pursuant to Title 56 Chapter 12.8 of the Code of Virginia (1950); that the Commission entered an Amending Order on November 23, 1992, directing the Applicant to provide public notice of its Application to interested persons and further directing any person desiring to file a written comment on, object to or request a formal hearing on the Application to file such comment, objection or request for hearing on or before January 11, 1993; that the Applicant has complied with all requirements of public notice as set forth in the Commission's Order of November 23, 1992; that no request for hearing was made or comment filed;

NOW THE COMMISSION, upon consideration of the Application, the exhibits thereto, and the report of the Staff, is of the opinion and finds:

(1) That the Applicant is fit, willing and able to provide the proposed service; and

(2) That a certificate as an executive sedan carrier should be granted to the Applicant pursuant to § 56-338.114; accordingly,

IT IS ORDERED:

(1) That a certificate as an executive sedan carrier be and the same is hereby, granted authorizing them to transport passengers by executive sedan between all points in Virginia;

(2) That the certificate described in paragraph (1) above be issued to the Applicant upon satisfaction of all requirements for operation set by law and the Rules and Regulations of this Commission.

CASE NO. MCS920170
JANUARY 28, 1993

APPLICATION OF
IMAGE LIMOUSINE SERVICES

For a certificate as a limousine carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission that Image Limousine Services ("Applicant") filed an Application with the Commission requesting a certificate as a limousine carrier pursuant to Title 56 Chapter 12.8 of the Code of Virginia (1950); that the Commission entered an Initial Order on October 27, 1992, directing the Applicant to provide public notice of its Application to interested persons and further directing any person desiring to file a written comment on, object to or request a formal hearing on the Application to file such comment, objection or request for hearing on or before December 10, 1992; that the Applicant has complied with all requirements of public notice as set forth in the Commission's Order of October 27, 1992; that no request for hearing was made or comment filed;

NOW THE COMMISSION, upon consideration of the Application, the exhibits thereto and the report of the Staff, is of the opinion and finds:

(1) That the Applicant is fit, willing and able to provide the proposed service; and

(2) That a certificate as a limousine carrier should be granted to the Applicant pursuant to § 56-338.114; accordingly,

IT IS ORDERED:

(1) That a certificate as a limousine carrier be and the same is hereby, granted authorizing them to transport passengers by limousine between all points in Virginia;

(2) That the certificate described in paragraph (1) above be issued to the Applicant upon satisfaction of all requirements for operation set by law and the Rules and Regulations of this Commission.

CASE NO. MCS920173
MARCH 11, 1993

APPLICATION OF
JEFFREY M. FIELD

For a certificate as a limousine carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission that Jeffrey M. Field ("Applicant") filed an Application with the Commission requesting a certificate as a limousine carrier pursuant to Title 56 Chapter 12.8 of the Code of Virginia (1950); that the Commission entered an Initial Order on November 2, 1992, directing the Applicant to provide public notice of its Application to interested persons and further directing any person desiring to file a written comment on, object to or request a formal hearing on the Application to file such comment, objection or request for hearing on or before December 21, 1992; that the Applicant has complied with all requirements of public notice as set forth in the Commission's Order of November 2, 1992; that no request for hearing was made or comment filed;

NOW THE COMMISSION, upon consideration of the Application, the exhibits thereto, and the report of the Staff, is of the opinion and finds:

(1) That the Applicant is fit, willing and able to provide the proposed service; and

(2) That a certificate as a limousine carrier should be granted to the Applicant pursuant to § 56-338.114; accordingly,

IT IS ORDERED:

(1) That a certificate as a limousine carrier be and the same is hereby, granted authorizing them to transport passengers by limousine between all points in Virginia;

(2) That the certificate described in paragraph (1) above be issued to the Applicant upon satisfaction of all requirements for operation set by law and the Rules and Regulations of this Commission.

CASE NO. MCS920174
FEBRUARY 11, 1993

APPLICATION OF
AAROW HARVEY AYTES

For a certificate as an executive sedan carrier

VACATING ORDER

IT APPEARING to the Commission that on January 21, 1993, an Order was entered by this Commission dismissing this case from the docket for the Applicant's failure to provide proof of his compliance with the Commission's previous orders when in fact the Applicant did comply; accordingly,

IT IS ORDERED that the Commission's Order of January 21, 1993 be, and the same is hereby, vacated and the case is reinstated on the docket.

CASE NO. MCS920174
FEBRUARY 23, 1993

APPLICATION OF
AAROW HARVEY AYTES

For a certificate as an executive sedan carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission that Aarow Harvey Aytes ("Applicant") filed an Application with the Commission requesting a certificate as an executive sedan carrier pursuant to Title 56 Chapter 12.8 of the Code of Virginia (1950); that the Commission entered an Initial Order on November 18, 1992, directing the Applicant to provide public notice of its Application to interested persons and further directing any person desiring to file a written comment on, object to or request a formal hearing on the Application to file such comment, objection or request for hearing on or before January 5, 1993; that the Applicant has complied with all requirements of public notice as set forth in the Commission's Order of November 18, 1992; that no request for hearing was made or comment filed;

IT FURTHER APPEARING to the Commission that the Application was filed in the name of Aarow Harvey Aytes and the Applicant has now requested that the Certificate be issued in his correct name of Harvey M. Aytes Jr. t/a Executive Sedan Service;

NOW THE COMMISSION, upon consideration of the Application, the exhibits thereto, and the report of the Staff, is of the opinion and finds:

(1) That the Applicant is fit, willing and able to provide the proposed service; and

(2) That a certificate as an executive sedan carrier should be granted to the Applicant pursuant to § 56-338.114; accordingly,

IT IS ORDERED:

(1) That a certificate as an executive sedan carrier be, and the same is hereby, granted authorizing the Applicant, Harvey M. Aytes, Jr. t/a Executive Sedan Service, to transport passengers by executive sedan between all points in Virginia;

(2) That the certificate described in paragraph (1) above be issued to the Applicant upon satisfaction of all requirements for operation set by law and the Rules and Regulations of this Commission.

CASE NO. MCS920176
JANUARY 14, 1993

APPLICATION OF
NASSER NEMR HASABALLA, d/b/a Alpha Executive Sedan

For a certificate as an executive sedan carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission that Nasser Nemr Hasaballa, d/b/a Alpha Executive Sedan ("Applicant") filed an Application with the Commission requesting a certificate as an executive sedan carrier pursuant to Title 56 Chapter 12.8 of the Code of Virginia (1950); that the Commission entered an Initial Order on November 18, 1992, directing the Applicant to provide public notice of its Application to interested persons and further directing any person desiring to file a written comment on, object to or request a formal hearing on the Application to file such comment, objection or request for hearing on or before January 6, 1993; that the Applicant has complied with all requirements of public notice as set forth in the Commission's Order of November 18, 1992; that no request for hearing was made or comment filed;

NOW THE COMMISSION, upon consideration of the Application, the exhibits thereto, and the report of the Staff, is of the opinion and finds:

(1) That the Applicant is fit, willing and able to provide the proposed service; and

(2) That a certificate as an executive sedan carrier should be granted to the Applicant pursuant to § 56-338.114; accordingly,

IT IS ORDERED:

(1) That a certificate as an executive sedan carrier be and the same is hereby, granted authorizing them to transport passengers by executive sedan between all points in Virginia;

(2) That the certificate described in paragraph (1) above be issued to the Applicant upon satisfaction of all requirements for operation set by law and the Rules and Regulations of this Commission.

CASE NO. MCS920177
JANUARY 21, 1993

APPLICATION OF
DULLES AIRPORT LOUDOUN TAXI AND LIMOUSINE, INC.

For a certificate as an executive sedan carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission that Dulles Airport Loudoun Taxi and Limousine, Inc. ("Applicant") filed an Application with the Commission requesting a certificate as an executive sedan carrier pursuant to Title 56 Chapter 12.8 of the Code of Virginia (1950); that the Commission entered an Initial Order on November 18, 1992, directing the Applicant to provide public notice of its Application to interested persons and further directing any person desiring to file a written comment on, object to or request a formal hearing on the Application to file such comment, objection or request for hearing on or before January 6, 1993; that the Applicant has complied with all requirements of public notice as set forth in the Commission's Order of November 18, 1992; that no request for hearing was made or comment filed;

NOW THE COMMISSION, upon consideration of the Application, the exhibits thereto, and the report of the Staff, is of the opinion and finds:

(1) That the Applicant is fit, willing and able to provide the proposed service; and

(2) That a certificate as an executive sedan carrier should be granted to the Applicant pursuant to § 56-338.114; accordingly,

IT IS ORDERED:

(1) That a certificate as an executive sedan carrier be and the same is hereby, granted authorizing them to transport passengers by executive sedan between all points in Virginia;

(2) That the certificate described in paragraph (1) above be issued to the Applicant upon satisfaction of all requirements for operation set by law and the Rules and Regulations of this Commission.

CASE NO. MCS920179
JANUARY 6, 1993

APPLICATION OF
ANTHONY W. KIRK

For a certificate as a limousine carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission that Anthony W. Kirk ("Applicant") filed an Application with the Commission requesting a certificate as a limousine carrier pursuant to Title 56 Chapter 12.8 of the Code of Virginia (1950); that the Commission entered an Initial Order on November 17, 1992, directing the Applicant to provide public notice of its Application to interested persons and further directing any person desiring to file a written comment on, object to or request a formal hearing on the Application to file such comment, objection or request for hearing on or before January 5, 1993; that the Applicant has complied with all requirements of public notice as set forth in the Commission's Order of November 17, 1992; that no request for hearing was made or comment filed;

NOW THE COMMISSION, upon consideration of the Application, the exhibits thereto, and the report of the Staff, is of the opinion and finds:

(1) That the Applicant is fit, willing and able to provide the proposed service; and

(2) That a certificate as a limousine carrier should be granted to the Applicant pursuant to § 56-338.114; accordingly,

IT IS ORDERED:

(1) That a certificate as a limousine carrier be and the same is hereby, granted authorizing them to transport passengers by limousine between all points in Virginia;

(2) That the certificate described in paragraph (1) above be issued to the Applicant upon satisfaction of all requirements for operation set by law and the Rules and Regulations of this Commission.

CASE NO. MCS920180
MARCH 22, 1993

APPLICATION OF
PROMENADE LIMOUSINE SERVICE, LTD.

For a certificate as a limousine carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission that Promenade Limousine Service, Ltd. ("Applicant") filed an Application with the Commission requesting a certificate as a limousine carrier pursuant to Title 56 Chapter 12.8 of the Code of Virginia (1950); that the Commission entered an Amending Order on December 30, 1992, directing the Applicant to provide public notice of its Application to interested persons and further directing any person desiring to file a written comment on, object to or request a formal hearing on the Application to file such comment, objection or request for hearing on or before February 19, 1993; that the Applicant has complied with all requirements of public notice as set forth in the Commission's Order of December 30, 1992; that no request for hearing was made or comment filed;

NOW THE COMMISSION, upon consideration of the Application, the exhibits thereto, and the report of the Staff, is of the opinion and finds:

(1) That the Applicant is fit, willing and able to provide the proposed service; and

(2) That a certificate as a limousine carrier should be granted to the Applicant pursuant to § 56-338.114; accordingly,

IT IS ORDERED:

(1) That a certificate as a limousine carrier be and the same is hereby, granted authorizing them to transport passengers by limousine between all points in Virginia;

(2) That the certificate described in paragraph (1) above be issued to the Applicant upon satisfaction of all requirements for operation set by law and the Rules and Regulations of this Commission.

CASE NO. MCS920181
JANUARY 26, 1993

APPLICATION OF
9 FINGERS TRANSPORTATION, INC.

For a license to broker the transportation of passengers by motor vehicles

FINAL ORDER

ON ANOTHER DAY, the Commission ordered that a public hearing be held before a Hearing Examiner on December 16, 1992, to receive evidence on this Application for 9 Fingers Transportation, Inc. for a license to broker the transportation of passengers by motor vehicle to all points in Virginia from points of origin located within the Commonwealth of Virginia;

ON THE APPOINTED DAY, the hearing was held before Senior Hearing Examiner Glenn P. Richardson, Esquire appeared as counsel for the Applicant. Graham G. Ludwig, Jr., Esquire appeared as counsel to the Commission. No Protestants or interveners appeared or participated at the hearing.

After considering the evidence presented in the case, the Hearing Examiner found that:

(1) The Applicant is fit, willing and able to provide the service requested;

(2) The Applicant can and will comply with all provisions of law and the Rules and Regulations of the Commission; and

(3) The Application is proper and in the public interest.

At the conclusion of the hearing on this Application, the Hearing Examiner announced the above findings and advised counsel for the Applicant that he would recommend that the Commission enter an order granting the Application. Counsel then waived his right to file any comments to the Hearing Examiner's Report and the customary fifteen (15) day comment period was determined not to be necessary.

Upon consideration of the Application and the Hearing Examiner's Report, the Commission is of the opinion and so finds, that the Application is proper and in the public interest and should be granted; accordingly,

IT IS ORDERED:

(1) That the findings of the Hearing Examiner's Report be, and the same is hereby, adopted;

(2) That a license to broker the transportation of passengers by motor vehicle to all points in Virginia from all points in Virginia be, and the same is hereby, granted.

CASE NO. MCS920184
JANUARY 11, 1993

APPLICATION OF
A-AMERICAN ROYAL LIMOUSINE SERVICE, INC.

For a certificate as a limousine carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission that A-American Royal Limousine Service, Inc. ("Applicant") filed an Application with the Commission requesting a certificate as a limousine carrier pursuant to Title 56 Chapter 12.8 of the Code of Virginia (1950); that the Commission entered an Initial Order on November 19, 1992, directing the Applicant to provide public notice of its Application to interested persons and further directing any person desiring to file a written comment on, object to or request a formal hearing on the Application to file such comment, objection or request for hearing on or before January 7, 1993; that the Applicant has complied with all requirements of public notice as set forth in the Commission's Order of November 19, 1992; that no request for hearing was made or comment filed;

NOW THE COMMISSION, upon consideration of the Application, the exhibits thereto, and the report of the Staff, is of the opinion and finds:

(1) That the Applicant is fit, willing and able to provide the proposed service; and

(2) That a certificate as a limousine carrier should be granted to the Applicant pursuant to § 56-338.114; accordingly,

IT IS ORDERED:

(1) That a certificate as a limousine carrier be and the same is hereby, granted authorizing them to transport passengers by limousine between all points in Virginia;

(2) That the certificate described in paragraph (1) above be issued to the Applicant upon satisfaction of all requirements for operation set by law and the Rules and Regulations of this Commission.

CASE NO. MCS920190
FEBRUARY 18, 1993

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
EXECUCAR LUXURY SEDAN SERVICE, INC.
P.O. Box 4756
Arlington, Virginia 22204,
Defendant

FINAL JUDGMENT ORDER

This Rule to Show Cause issued against the Defendant having come on for hearing on February 9, 1993, and the Commission having found the Defendant to be in violation of the law as alleged; accordingly,

IT IS ORDERED:

(1) That the Defendant's Certificate as an executive sedan carrier, No. XS-29 be, and the same is hereby revoked;

(2) That all registration cards, identification markers, warrants and decals issued to the Defendant are void and shall be surrendered for cancellation.

CASE NO. MCS920191
MAY 4, 1993

APPLICATION OF
SPARKS LIMO SERVICE

For a certificate as a limousine carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission that Sparks Limo Service ("Applicant") filed an Application with the Commission requesting a certificate as a limousine carrier pursuant to Title 56 Chapter 12.8 of the Code of Virginia (1950); that the Commission entered an Amending Order on March 10, 1993, directing the Applicant to provide public notice of its Application to interested persons and further directing any person desiring to file a written comment on, object to or request a formal hearing on the Application to file such comment, objection or request for hearing on or before April 14, 1993; that the Applicant has complied with all requirements of public notice as set forth in the Commission's Order of March 10, 1993; that no request for hearing was made or comment filed;

NOW THE COMMISSION, upon consideration of the Application, the exhibits thereto, and the report of the Staff, is of the opinion and finds:

(1) That the Applicant is fit, willing and able to provide the proposed service; and

(2) That a certificate as a limousine carrier should be granted to the Applicant pursuant to § 56-338.114; accordingly,

IT IS ORDERED:

(1) That a certificate as a limousine carrier be and the same is hereby, granted authorizing them to transport passengers by limousine between all points in Virginia;

(2) That the certificate described in paragraph (1) above be issued to the Applicant upon satisfaction of all requirements for operation set by law and the Rules and Regulations of this Commission.

CASE NO. MCS920191
MAY 17, 1993

APPLICATION OF
SPARKS LIMO SERVICE

For a certificate as a limousine carrier

CORRECTING ORDER

IT APPEARING to the State Corporation Commission that a Final Order was issued in the above-captioned matter on May 4, 1993, granting authority as a limousine carrier to Sparks Limo Service; and

IT FURTHER APPEARING that the Applicant requested that the application be amended to reflect the change of the applicant to Mark A. Schuman, t/a Coach Royal Limousine Service and that said amendment was granted by this Commission by an Amending Order issued on March 10, 1993; accordingly,

IT IS ORDERED that the Final Order dated May 4, 1993 be, and the same is hereby, amended to reflect that a certificate as a limousine carrier was issued to Mark A. Schuman, t/a Coach Royal Limousine Service.

CASE NO. MCS920192
FEBRUARY 10, 1993

APPLICATION OF
INDIAN RIVER SPORTS TRAVEL, INC.

For a license to broker the transportation of passengers by motor vehicles

FINAL ORDER

ON ANOTHER DAY, the Commission ordered that a public hearing be held before a Hearing Examiner on January 20, 1993, to receive evidence on this Application for Indian River Sports Travel, Inc., for a license to broker the transportation of passengers by motor vehicle to all points in Virginia from points of origin located within cities of Virginia Beach, Chesapeake and Norfolk;

ON THE APPOINTED DAY, the hearing was held before Senior Hearing Examiner Glenn P. Richardson. Graham G. Ludwig, Jr., Esquire appeared as counsel to the Commission. No Protestants or interveners appeared or participated at the hearing.

After considering the evidence presented in the case, the Hearing Examiner found that:

(1) The Applicant is fit, willing and able to provide the service requested;

(2) The Applicant can and will comply with all provisions of law and the Rules and Regulations of the Commission; and

(3) The Application is proper and in the public interest.

At the conclusion of the hearing on this Application, the Hearing Examiner announced the above findings and advised counsel for the Applicant that he would recommend that the Commission enter an order granting the Application. Counsel then waived his right to file any comments to the Hearing Examiner's Report and the customary fifteen (15) day comment period was determined not to be necessary.

Upon consideration of the Application and the Hearing Examiner's Report, the Commission is of the opinion and so finds, that the Application is proper and in the public interest and should be granted; accordingly,

IT IS ORDERED:

(1) That the findings of the Hearing Examiner's Report be, and the same is hereby, adopted; and

(2) That a license to broker the transportation of passengers by motor vehicle to all points in Virginia from all points in Virginia be, and the same is hereby, granted.

CASE NO. MCS920193
FEBRUARY 9, 1993

APPLICATION OF
DULLES TAXI, SEDAN & LIMO CO.

For a certificate as an executive sedan carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission that Dulles Taxi, Sedan & Limo Co. ("Applicant") filed an Application with the Commission requesting a certificate as an executive sedan carrier pursuant to Title 56 Chapter 12.8 of the Code of Virginia (1950); that the Commission entered an Initial Order on November 25, 1992, directing the Applicant to provide public notice of its Application to interested persons and further directing any person desiring to file a written comment on, object to or request a formal hearing on the Application to file such comment, objection or request for hearing on or before January 25, 1993; that the Applicant has complied with all requirements of public notice as set forth in the Commission's Order of November 24, 1992; that no request for hearing was made or comment filed;

NOW THE COMMISSION, upon consideration of the Application, the exhibits thereto, and the report of the Staff, is of the opinion and finds:

(1) That the Applicant is fit, willing and able to provide the proposed service; and

(2) That a certificate as an executive sedan carrier should be granted to the Applicant pursuant to § 56-338.114; accordingly,

IT IS ORDERED:

(1) That a certificate as an executive sedan carrier be and the same is hereby, granted authorizing them to transport passengers by executive sedan between all points in Virginia;

(2) That the certificate described in paragraph (1) above be issued to the Applicant upon satisfaction of all requirements for operation set by law and the Rules and Regulations of this Commission.

CASE NO. MCS920198
MARCH 29, 1993

APPLICATION OF
MYLES EXECUTIVE SEDAN SERVICES, INC.

For a certificate as an executive sedan carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission that Myles Executive Sedan Services, Inc., ("Applicant") filed an Application with the Commission requesting a certificate as an executive sedan carrier pursuant to Title 56 Chapter 12.8 of the Code of Virginia (1950); that the Commission entered an AmendingOrder on February 5, 1993, directing the Applicant to provide public notice of its Application to interested persons and further directing any person desiring to file a written comment on, object to or request a formal hearing on the Application to file such comment, objection or request for hearing on or before March 24, 1993; that the Applicant has complied with all requirements of public notice as set forth in the Commission's Order of February 5, 1993; that no request for hearing was made or comment filed;

NOW THE COMMISSION, upon consideration of the Application, the exhibits thereto, and the report of the Staff, is of the opinion and finds:

(1) That the Applicant is fit, willing and able to provide the proposed service; and

(2) That a certificate as an executive sedan carrier should be granted to the Applicant pursuant to § 56-338.114; accordingly,

IT IS ORDERED:

(1) That a certificate as an executive sedan carrier be and the same is hereby, granted authorizing them to transport passengers by executive sedan between all points in Virginia;

(2) That the certificate described in paragraph (1) above be issued to the Applicant upon satisfaction of all requirements for operation set by law and the Rules and Regulations of this Commission.

CASE NO. MCS920199
FEBRUARY 5, 1993

APPLICATION OF
JAMES GARRISON, t/a JAMES LIMOUSINE TRANSPORTATION

For a certificate as a limousine carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission that James Garrison t/a James Limousine Corporation ("Applicant") filed an Application with the Commission requesting a certificate as a limousine carrier pursuant to Title 56 Chapter 12.8 of the Code of Virginia (1950); that the Commission entered an Initial Order on December 14, 1992, directing the Applicant to provide public notice of its Application to interested persons and further directing any person desiring to file a written comment on, object to or request a formal hearing on the Application to file such comment, objection or request for hearing on or before February 1, 1993; that the Applicant has complied with all requirements of public notice as set forth in the Commission's Order of December 14, 1992 ; that no request for hearing was made or comment filed;

NOW THE COMMISSION, upon consideration of the Application, the exhibits thereto and the report of the Staff, is of the opinion and finds:

(1) That the Applicant is fit, willing and able to provide the proposed service; and

(2) That a certificate as a limousine carrier should be granted to the Applicant pursuant to § 56-338.114; accordingly,

IT IS ORDERED:

(1) That a certificate as a limousine carrier be and the same is hereby, granted authorizing them to transport passengers by limousine between all points in Virginia;

(2) That the certificate described in paragraph (1) above be issued to the Applicant upon satisfaction of all requirements for operation set by law and the Rules and Regulations of this Commission.

CASE NO. MCS920200
FEBRUARY 10, 1993

APPLICATION OF
MICHAEL T. FUMAROLA AND GEORGE L. BLOCHER

For a certificate as a limousine carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission that Michael T. Fumarola and George L. Blocher ("Applicant") filed an Application with the Commission requesting a certificate as a limousine carrier pursuant to Title 56 Chapter 12.8 of the Code of Virginia (1950); that the Commission entered an Initial Order on December 14, 1992, directing the Applicant to provide public notice of its Application to interested persons and further directing any person desiring to file a written comment on, object to or request a formal hearing on the Application to file such comment, objection or request for hearing on or before February 1, 1993; that the Applicant has complied with all requirements of public notice as set forth in the Commission's Order of December 14, 1992; that no request for hearing was made or comment filed;

NOW THE COMMISSION, upon consideration of the Application, the exhibits thereto, and the report of the Staff, is of the opinion and finds:

(1) That the Applicant is fit, willing and able to provide the proposed service; and

(2) That a certificate as a limousine carrier should be granted to the Applicant pursuant to § 56-338.114; accordingly,

IT IS ORDERED:

(1) That a certificate as a limousine carrier be and the same is hereby, granted authorizing them to transport passengers by limousine between all points in Virginia;

(2) That the certificate described in paragraph (1) above be issued to the Applicant upon satisfaction of all requirements for operation set by law and the Rules and Regulations of this Commission.

CASE NO. MCS920201
FEBRUARY 5, 1993

APPLICATION OF
1-MILL UNLIMITED, INC., d/b/a ESQUIRE LIMOUSINES

For a certificate as a limousine carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission that 1-Mill Unlimited, Inc. d/b/a Esquire Limousines ("Applicant") filed an Application with the Commission requesting a certificate as a limousine carrier pursuant to Title 56 Chapter 12.8 of the Code of Virginia (1950); that the Commission entered an Initial Order on December 14, 1992, directing the Applicant to provide public notice of its Application to interested persons and further directing any person desiring to file a written comment on, object to or request a formal hearing on the Application to file such comment, objection or request for hearing on or before February 1, 1993; that the Applicant has complied with all requirements of public notice as set forth in the Commission's Order of December 14, 1992; that no request for hearing was made or comment filed;

NOW THE COMMISSION, upon consideration of the Application, the exhibits thereto and the report of the Staff, is of the opinion and finds:

(1) That the Applicant is fit, willing and able to provide the proposed service; and

(2) That a certificate as a limousine carrier should be granted to the Applicant pursuant to § 56-338.114; accordingly,

IT IS ORDERED:

(1) That a certificate as a limousine carrier be and the same is hereby, granted authorizing them to transport passengers by limousine between all points in Virginia;

(2) That the certificate described in paragraph (1) above be issued to the Applicant upon satisfaction of all requirements for operation set by law and the Rules and Regulations of this Commission.

CASE NO. MCS920208
APRIL 7, 1993

APPLICATION OF
D & B BUS, INC.

For a certificate of public convenience and necessity as a common carrier of passengers by motor vehicle over irregular routes

FINAL ORDER

ON ANOTHER DAY, the Commission ordered that a public hearing be held before a Hearing Examiner on April 5, 1993 , to receive evidence on this Application for a certificate of public convenience and necessity as a common carrier of passengers by motor vehicle over the routes as shown on Exhibit A attached hereto.

ON THE APPOINTED DAY, the hearing was held before Hearing Examiner Glenn P. Richardson. Robert B. Walker, Esquire, appeared as counsel for the Applicant. Graham G. Ludwig, Jr., Esquire, appeared as counsel to the Commission. No Protestants or interveners appeared or participated at the hearing.

After considering the evidence presented in the case, the Hearing Examiner found that:

(1) There is existing public need for the proposed service of the Applicant;

(2) The Applicant is fit, willing and able to provide the service requested; and

(3) The Application is justified by the public convenience and necessity.

At the conclusion of the hearing on this Application, the Hearing Examiner announced the above findings and advised counsel for the Applicant that he would recommend that the Commission enter an order granting the Application. Counsel then waived his right to file any comments to the Hearing Examiner's Report and the customary fifteen (15) day comment period was deemed not to be necessary.

Upon consideration of the Application and the Hearing Examiner's Report, the Commission is of the opinion and so finds, that the Application is proper and in the public interest and should be granted; accordingly,

IT IS ORDERED:

(1) That the findings of the Hearing Examiners' Report be, and the same are hereby, adopted; and

(2) That a certificate of public convenience and necessity as a common carrier of passengers by motor vehicle over the routes shown on Exhibit A attached hereto be, and the same is hereby, granted.

NOTE: A copy of Exhibit A 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. MCS920208
OCTOBER 8, 1993

APPLICATION OF
D & B BUS, INC.

For a certificate of public convenience and necessity as a common carrier of passengers by motor vehicle

CORRECTING ORDER

IT APPEARING to the State Corporation Commission the Final Order entered herein on April 7, 1993 was in error as to the caption of the case wherein, it was stated that the Application was for a certificate of convenience and necessity as a common carrier of passengers over irregular routes, when in fact the Application was for a certificate of public convenience and necessity as a common carrier of passengers by motor vehicle over regular routes, which authority was granted by said order; Accordingly;

IT IS ORDERED:

(1) That the Commission's order of April 7, 1993 be, and the same is hereby, amended to reflect within the heading that the Application was for a certificate of public convenience and necessity as a common carrier of passengers by motor vehicle and not as a common carrier of passengers by motor vehicle over irregular routes.

CASE NO. MCS920210
FEBRUARY 24, 1993

APPLICATION OF
GEORGE E. GRAY, JR. & CO.

For a certificate of public convenience and necessity as a common carrier of passengers by motor vehicle over irregular routes

FINAL ORDER

ON ANOTHER DAY, the Commission ordered that a public hearing be held before a Hearing Examiner on February 23, 1993, to receive evidence on this Application for a certificate of public convenience and necessity as a common carrier of passengers by motor vehicle over irregular routes within the geographic area and subject to restrictions, as shown on Exhibit A attached hereto.

ON THE APPOINTED DAY, the hearing was held before Senior Hearing Examiner Russell W. Cunningham. Franklin P. Hall, Esquire, appeared as counsel for the Applicant. Graham G. Ludwig, Jr., Esquire, appeared as counsel to the Commission. No Protestants appeared, and one intervener appeared supporting the application.

After considering the evidence presented in the case, the Hearing Examiner found that:

(1) There is existing public need for the proposed service of the Applicant;

(2) The Applicant is fit, willing and able to provide the service requested; and

(3) The Application is justified by the public convenience and necessity.

At the conclusion of the hearing on this Application, the Hearing Examiner announced the above findings and advised counsel for the Applicant that he would recommend that the Commission enter an order granting the Application. Counsel then waived his right to file any comments to the Hearing Examiner's Report and the customary fifteen (15) day comment period was deemed not to be necessary.

Upon consideration of the Application and the Hearing Examiner's Report, the Commission is of the opinion and so finds, that the Application is proper and in the public interest and should be granted; accordingly,

IT IS ORDERED:

(1) That the findings of the Hearing Examiners' Report be, and the same are hereby, adopted; and

(2) That a certificate of public convenience and necessity as a common carrier of passengers by motor vehicle over irregular routes in the geographic area, and subject to the restrictions as shown on Exhibit A attached hereto, be, and the same is hereby, granted.

NOTE: A copy of Exhibit A 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. MCS930003
JUNE 15, 1993

APPLICATION OF
MAZEN M. OMARY

For a certificate as an executive sedan carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission that Mazen M. Omary ("Applicant") filed an Application with the Commission requesting a certificate as an executive sedan carrier pursuant to Title 56 Chapter 12.8 of the Code of Virginia (1950); that the Commission entered an Amending Order on April 12, 1993, directing the Applicant to provide public notice of its Application to interested persons and further directing any person desiring to file a written comment on, object to or request a formal hearing on the Application to file such comment, objection or request for hearing on or before May 18, 1993; that the Applicant has complied with all requirements of public notice as set forth in the Commission's Order of April 12, 1993; that no request for hearing was made or comment filed;

NOW THE COMMISSION, upon consideration of the Application, the exhibits thereto, and the report of the Staff, is of the opinion and finds:

(1) That the Applicant is fit, willing and able to provide the proposed service; and

(2) That a certificate as an executive sedan carrier should be granted to the Applicant pursuant to § 56-338.114; accordingly,

IT IS ORDERED:

(1) That a certificate as an executive sedan carrier be and the same is hereby, granted authorizing them to transport passengers by executive sedan between all points in Virginia;

(2) That the certificate described in paragraph (1) above be issued to the Applicant upon satisfaction of all requirements for operation set by law and the Rules and Regulations of this Commission.

CASE NO. MCS930005
MARCH 11, 1993

APPLICATION OF
INTERNATIONAL LIMOUSINE SERVICE, INC.

For a certificate as an executive sedan carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission that International Limousine Service, Inc., ("Applicant") filed an Application with the Commission requesting a certificate as an executive sedan carrier pursuant to Title 56 Chapter 12.8 of the Code of Virginia (1950); that the Commission entered an Initial Order on January 15, 1993, directing the Applicant to provide public notice of its Application to interested persons and further directing any person desiring to file a written comment on, object to or request a formal hearing on the Application to file such comment, objection or request for hearing on or before March 8, 1993; that the Applicant has complied with all requirements of public notice as set forth in the Commission's Order of January 15, 1993; that no request for hearing was made or comment filed;

NOW THE COMMISSION, upon consideration of the Application, the exhibits thereto, and the report of the Staff, is of the opinion and finds:

(1) That the Applicant is fit, willing and able to provide the proposed service; and

(2) That a certificate as an executive sedan carrier should be granted to the Applicant pursuant to § 56-338.114; accordingly,

IT IS ORDERED:

(1) That a certificate as an executive sedan carrier be and the same is hereby, granted authorizing them to transport passengers by executive sedan between all points in Virginia;

(2) That the certificate described in paragraph (1) above be issued to the Applicant upon satisfaction of all requirements for operation set by law and the Rules and Regulations of this Commission.

CASE NO. MCS930007
MARCH 11, 1993

APPLICATION OF
JAY & JAY INVESTMENTS, INC.

For a certificate as an executive sedan carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission that Jay & Jay Investments, Inc., ("Applicant") filed an Application with the Commission requesting a certificate as an executive sedan carrier pursuant to Title 56 Chapter 12.8 of the Code of Virginia (1950); that the Commission entered an Initial Order on January 15, 1993, directing the Applicant to provide public notice of its Application to interested persons and further directing any person desiring to file a written comment on, object to or request a formal hearing on the Application to file such comment, objection or request for hearing on or before March 8, 1993; that the Applicant has complied with all requirements of public notice as set forth in the Commission's Order of January 15, 1993; that no request for hearing was made or comment filed;

NOW THE COMMISSION, upon consideration of the Application, the exhibits thereto, and the report of the Staff, is of the opinion and finds:

(1) That the Applicant is fit, willing and able to provide the proposed service; and

(2) That a certificate as an executive sedan carrier should be granted to the Applicant pursuant to § 56-338.114; accordingly,

IT IS ORDERED:

(1) That a certificate as an executive sedan carrier be and the same is hereby, granted authorizing them to transport passengers by executive sedan between all points in Virginia;

(2) That the certificate described in paragraph (1) above be issued to the Applicant upon satisfaction of all requirements for operation set by law and the Rules and Regulations of this Commission.

CASE NO. MCS930008
MARCH 30, 1993

APPLICATION OF
RYLES-JORDAN, INC.

For a certificate of public convenience and necessity as a sight-seeing and special or charter party carrier by boat

FINAL ORDER

ON ANOTHER DAY, the Commission ordered that a public hearing be held before a Hearing Examiner on March 9, 1993, to receive evidence on this Application for a certificate of public convenience and necessity as a sight-seeing and special or charter party carrier by boat. Applicant seeks authority to provide service as shown on Appendix A attached hereto.

ON THE APPOINTED DAY, the hearing was held before Senior Hearing Examiner Howard P. Anderson. James A. Barker, Esquire, appeared as counsel for Applicant. Graham G. Ludwig, Jr., Esquire, appeared as counsel to the Commission. No Protestants or interveners participated.

At the conclusion of the hearing, the Examiner announced his findings from the bench and advised counsel of record that he would recommend that the Commission enter an order granting the Application. Counsel for the Applicant then waived the customary fifteen (15) day comment period.

The Hearing Examiner made the following findings:

(1) The Applicant is fit, willing and able to render adequate and reliable service as a sight-seeing and special or charter party carrier by boat; and

(2) The Application is warranted by the public convenience and necessity.

UPON CONSIDERATION of the Application and the Hearing Examiner's Report and the transcript, the Commission is of the opinion and finds that the Application is justified by public convenience and necessity and should be granted; accordingly,

IT IS ORDERED:

(1) That the Hearing Examiner's findings be, and the same are hereby, adopted in their entirety;

(2) That Ryles Jordan, Inc., is granted a certificate of public convenience and necessity as a sight-seeing and special or charter party carrier by boat as shown on Appendix A attached hereto.

NOTE: A copy of Appendix A 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. MCS930010
MARCH 18, 1993

APPLICATION OF
ESCORT LIMOUSINE SERVICE, INC.

For a certificate as an executive sedan carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission that Escort Limousine Service, Inc. ("Applicant") filed an Application with the Commission requesting a certificate as an executive sedan carrier pursuant to Title 56 Chapter 12.8 of the Code of Virginia (1950); that the Commission entered an Initial Order on January 20, 1993, directing the Applicant to provide public notice of its Application to interested persons and further directing any person desiring to file a written comment on, object to or request a formal hearing on the Application to file such comment, objection or request for hearing on or before March 10, 1993; that the Applicant has complied with all requirements of public notice as set forth in the Commission's Order of January 20, 1993; that no request for hearing was made or comment filed;

NOW THE COMMISSION, upon consideration of the Application, the exhibits thereto, and the report of the Staff, is of the opinion and finds:

(1) That the Applicant is fit, willing and able to provide the proposed service; and

(2) That a certificate as an executive sedan carrier should be granted to the Applicant pursuant to § 56-338.114; accordingly,

IT IS ORDERED:

(1) That a certificate as an executive sedan carrier be and the same is hereby, granted authorizing them to transport passengers by executive sedan between all points in Virginia;

(2) That the certificate described in paragraph (1) above be issued to the Applicant upon satisfaction of all requirements for operation set by law and the Rules and Regulations of this Commission.

CASE NO. MCS930011
SEPTEMBER 22, 1993

APPLICATION OF
URBAN TRANSPORTATION OF VIRGINIA, INC.

For a certificate of public convenience and necessity as a common carrier of passengers by motor vehicle

FINAL ORDER

On February 1, 1993, the Commission ordered a public hearing to be held before a Hearing Examiner on April 12, 1993, to receive evidence on this Application for a certificate of public convenience and necessity as a regular route common carrier of passengers by motor vehicle.

The hearing was held before Hearing Examiner Howard P. Anderson, Jr. Calvin F. Major, Esquire, and Ted Schubert, Esquire appeared as counsel for the Applicant. Hamill D. Jones, Jr., Esquire, appeared as counsel for the Protestants and Graham G. Ludwig, Jr., Esquire appeared as counsel to the Commission. No interveners appeared or participated at the hearing.

After considering the evidence presented in the case, the Hearing Examiner found that the Applicant's financial situation was such as to render the Applicant unfit to serve the authority applied for and recommended to the Commission that the Application be denied. The Hearing Examiner's Report was filed on May 4, 1993.

On August 27, 1993, Protestants filed a Motion to Permit Late Filing of Comments to Report of Hearing Examiner and attached those Comments. The Protestants' Comments supported the recommendation of the Hearing Examiner that the Application be denied.

No Comments to the Hearing Examiner's Report were filed by the Applicant.

Upon consideration of the Application, the Hearing Examiner's Report, the transcript of the proceedings held April 12, 1993, and the Comments filed, the Commission is of the opinion that the Hearing Examiner's Report should be adopted; accordingly,

IT IS ORDERED:

(1) That the Protestants' Motion to Permit Late Filing of Comments to Report of Hearing Examiner be granted;

(2) That the findings of the Hearing Examiner's Report be, and the same are hereby adopted;

(3) That the certificate applied for be, and the same is hereby, denied and the Clerk of the Commission shall remove this case from the docket.

CASE NO. MCS930012
APRIL 27, 1993

APPLICATION OF
MOUNT VERNON TRAVEL, INC.

For a license to broker the transportation of passengers by motor vehicles

FINAL ORDER

ON ANOTHER DAY, the Commission ordered that a public hearing be held before a Hearing Examiner on April 7, 1993, to receive evidence on this Application for a license to broker the transportation of passengers by motor vehicle to all points in Virginia from points of origin located within the cities of Alexandria, Fairfax, Falls Church, Manassas, Manassas Park, and Fredericksburg, as well as the counties of Fairfax, Prince William, Stafford, Fauquier, Loudon and Arlington;

ON THE APPOINTED DAY, the hearing was held before Senior Hearing Examiner Glenn P. Richardson. Hamill D. Jones, Jr., Esquire appeared as counsel for the Applicant. Graham G. Ludwig, Jr., Esquire appeared as counsel to the Commission. No Protestants or interveners appeared or participated at the hearing.

After considering the evidence presented in the case, the Hearing Examiner found that:

(1) The Applicant is fit, willing and able to provide the service requested;

(2) The Applicant can and will comply with all provisions of law and the Rules and Regulations of the Commission; and

(3) The Application is proper and in the public interest.

At the conclusion of the hearing on this Application, the Hearing Examiner announced the above findings and advised counsel for the Applicant that he would recommend that the Commission enter an order granting the Application. Counsel then waived his right to file any comments to the Hearing Examiner's Report and the customary fifteen (15) day comment period was determined not to be necessary.

Upon consideration of the Application and the Hearing Examiner's Report, the Commission is of the opinion and so finds, that the Application is proper and in the public interest and should be granted; accordingly,

IT IS ORDERED:

(1) That the findings of the Hearing Examiner's Report be, and the same is hereby, adopted; and

(2) That a license to broker the transportation of passengers by motor vehicle to the cities of Alexandria, Fairfax, Falls Church, Manassas, Manassas Park and Fredericksburg, as well as the Counties of Fairfax, Prince William, Stafford, Fauquier, Loudon and Arlington be, and the same is hereby, granted.

CASE NO. MCS930013
MAY 18, 1993

APPLICATION OF
ATKINSON TANK LINES, INC.,
Transferor
and
TRANSPORT SOUTH OF VIRGINIA, INC.,
Transferee

To transfer certificate of public convenience and necessity as a petroleum tank truck carrier No. K-137

FINAL ORDER

ON ANOTHER DAY the Commission ordered that a public hearing be held before a Hearing Examiner on April 28, 1993, to receive evidence on this Application for the transfer of certificate of public convenience and necessity as a petroleum tank truck carrier, No. K-137, which authorizes the holder thereof to transport petroleum products as described in said certificate.

ON THE APPOINTED DAY, the hearing was held before Hearing Examiner Howard P. Anderson. Calvin F. Major, Esquire, appeared as counsel for the Applicants. Graham G. Ludwig, Jr., Esquire, appeared as counsel for the Commission. No Protestants or interveners appeared or participated at the hearing.

After considering the evidence presented in the case, the Hearing Examiner found:

(1) That the Transferee is fit, willing and able to provide the services required under the transfer of certificate No. K-137 as described above;

(2) That the Transferee can and will comply with all provisions of law and the Rules and Regulations of the Commission; and

(3) That the Application is proper and in the public interest.

At the conclusion of the hearing on this Application, the Hearing Examiner announced the above findings and advised counsel for the Applicants that he would recommend that the Commission enter an Order granting the Application. Counsel then waived his right to file any comments to the Hearing Examiner's Report and the customary fifteen (15) day comment period was determined to be unnecessary.

Upon consideration of the Application and the Hearing Examiner's Report, the Commission is of the opinion, and so finds, that the Application is proper and in the public interest and should be granted; accordingly,

IT IS ORDERED:

(1) That the findings of the Hearing Examiner's Report be, and the same are hereby, adopted;

(2) That the transfer of certificate of public convenience and necessity as a petroleum tank truck carrier No. K-137, as described above, be, and the same is hereby, granted.

CASE NO. MCS930014
MAY 18, 1993

APPLICATION OF
EASTERN MOTOR TRANSPORT, INC.,
Transferor
and
TRANSPORT SOUTH OF VIRGINIA, INC.,
Transferee

To transfer certificates of public convenience and necessity as a petroleum tank truck carrier Nos. K-8, K-120, and K-132

FINAL ORDER

ON ANOTHER DAY the Commission ordered that a public hearing be held before a Hearing Examiner on April 28, 1993, to receive evidence on this Application for the transfer of certificates of public convenience and necessity as a petroleum tank truck carrier, Nos. K-8, K-120, and K-132, which authorizes the holder thereof to transport petroleum products as described in said certificates.

ON THE APPOINTED DAY, the hearing was held before Hearing Examiner Howard P. Anderson. Calvin F. Major, Esquire, appeared as counsel for the Applicants. Graham G. Ludwig, Jr., Esquire, appeared as counsel for the Commission. No Protestants or interveners appeared or participated at the hearing.

After considering the evidence presented in the case, the Hearing Examiner found:

(1) That the Transferee is fit, willing and able to provide the services required under the transfer of certificates Nos. K-8, K-120, and K-132 as described above;

(2) That the Transferee can and will comply with all provisions of law and the Rules and Regulations of the Commission; and

(3) That the Application is proper and in the public interest.

At the conclusion of the hearing on this Application, the Hearing Examiner announced the above findings and advised counsel for the Applicants that he would recommend that the Commission enter an order granting the Application. Counsel then waived his right to file any comments to the Hearing Examiner's Report and the customary fifteen (15) day comment period was determined to be unnecessary.

Upon consideration of the Application and the Hearing Examiner's Report, the Commission is of the opinion, and so finds, that the Application is proper and in the public interest and should be granted; accordingly,

IT IS ORDERED:

(1) That the findings of the Hearing Examiner's Report be, and the same are hereby, adopted;

(2) That the transfer of certificates of public convenience and necessity as a petroleum tank truck carrier, Nos. K-8, K-120, and K-132, as described above, be, and the same is hereby, granted.

CASE NO. MCS930015
MAY 18, 1993

APPLICATION OF
JULIAN TRAVEL ASSOCIATES, INC., t/a JULIAN TOURS

For a license to broker the transportation of passengers by motor vehicles

FINAL ORDER

ON ANOTHER DAY, the Commission ordered that a public hearing be held before a Hearing Examiner on April 28, 1993, to receive evidence on this Application for Julian Travel Associates, t/a Julian Tours for a license to broker the transportation of passengers by motor vehicle to all points in Virginia from points of origin located within the Cities of Alexandria, Fairfax, Falls Church, Manassas, Manassas Park, and Fredericksburg, as well as the Counties of Fairfax, Prince William, Stafford, Fauquier, Loudoun, and Arlington;

ON THE APPOINTED DAY, the hearing was held before Hearing Examiner Howard P. Anderson. Hamill D. Jones, Jr., Esquire appeared as counsel for the Applicant. Graham G. Ludwig, Jr., Esquire appeared as counsel to the Commission. No Protestants or interveners appeared or participated at the hearing.

After considering the evidence presented in the case, the Hearing Examiner found that:

(1) The Applicant is fit, willing and able to provide the service requested;

(2) The Applicant can and will comply with all provisions of law and the Rules and Regulations of the Commission; and

(3) The Application is proper and in the public interest.

At the conclusion of the hearing on this Application, the Hearing Examiner announced the above findings and advised counsel for the Applicant that he would recommend that the Commission enter an order granting the Application. Counsel then waived his right to file any comments to the Hearing Examiner's Report and the customary fifteen (15) day comment period was determined not to be necessary.

Upon consideration of the Application and the Hearing Examiner's Report, the Commission is of the opinion and so finds, that the Application is proper and in the public interest and should be granted; accordingly,

IT IS ORDERED:

(1) That the findings of the Hearing Examiner's Report be, and the same is hereby, adopted; and

(2) That a license to broker the transportation of passengers by motor vehicle to all points in Virginia from all points in Virginia be, and the same is hereby, granted.

CASE NO. MCS930018
APRIL 27, 1993

APPLICATION OF
WHARTON STORAGE, INC.,
Transferor
and
GREENBUSH SERVICE CO.,
Transferee

To transfer certificate of public convenience and necessity as a household goods carrier No. HG-415

FINAL ORDER

ON ANOTHER DAY the Commission ordered that a public hearing be held before a Hearing Examiner on April 6, 1993, to consider this Application to transfer certificate of public convenience and necessity as household goods carrier No. HG-415 which authorizes the holder thereof to transport household goods between all points in Virginia.

ON THE APPOINTED DAY, the hearing was held before Hearing Examiner Howard P. Anderson. Henry P. Custis, Jr., Esquire, appeared as counsel for the Applicants. Graham G. Ludwig, Jr., Esquire appeared as counsel for the Commission. No protests were filed and no intervener(s) participated in the proceeding.

After considering the evidence presented in the case, the Hearing Examiner found:

(1) That the Transferee is fit, willing and able to provide the services required under the transfer of certificate No. HG-415;

(2) That the Transferee can and will comply with all provisions of law and the Rules and Regulations of the Commission; and

(3) That the Application is proper and in the public interest.

At the conclusion of the hearing on this Application, the Hearing Examiner announced the above findings and advised counsel for the Applicants that he would recommend that the Commission enter an Order granting the Application. Counsel then waived his right to file any comments to the Hearing Examiner's Report and the customary fifteen (15) day comment period was determined to be unnecessary.

Upon consideration of the Application and the Hearing Examiner's Report, the Commission is of the opinion, and so finds, that the Application is proper and in the public interest and should be granted; accordingly,

IT IS ORDERED:

(1) That the findings of the Hearing Examiner's Report be, and the same are hereby, adopted;

(2) That the transfer of certificate of public convenience and necessity as a household goods carrier No. 415 be, and the same is hereby, granted.

CASE NO. MCS930020
APRIL 14, 1993

APPLICATION OF
JAMES W. BASIL, SR. AND MARGARET H. BASIL

For a certificate as an executive sedan carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission that James W. Basil, Sr., and Margaret H. Basil ("Applicants") filed an Application with the Commission requesting a certificate as an executive sedan carrier pursuant to Title 56 Chapter 12.8 of the Code of Virginia (1950); that the Commission entered an Initial Order on February 12, 1993, directing the Applicants to provide public notice of its Application to interested persons and further directing any person desiring to file a written comment on, object to or request a formal hearing on the Application to file such comment, objection or request for hearing on or before April 5, 1993; that the Applicants have complied with all requirements of public notice as set forth in the Commission's Order of February 12, 1993; that no request for hearing was made or comment filed;

NOW THE COMMISSION, upon consideration of the Application, the exhibits thereto, and the report of the Staff, is of the opinion and finds:

(1) That the Applicants are fit, willing and able to provide the proposed service; and

(2) That a certificate as an executive sedan carrier should be granted to the Applicants pursuant to § 56-338.114; accordingly,

IT IS ORDERED:

(1) That a certificate as an executive sedan carrier be, and the same is hereby, granted authorizing them to transport passengers by executive sedan between all points in Virginia;

(2) That the certificate described in paragraph (1) above be issued to the Applicants upon satisfaction of all requirements for operation set by law and the Rules and Regulations of this Commission.

CASE NO. MCS930021
MAY 3, 1993

APPLICATION OF
SEON KYU LEE

For a certificate as an executive sedan carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission that Seon Kyu Lee ("Applicant") filed an Application with the Commission requesting a certificate as an executive sedan carrier pursuant to Title 56 Chapter 12.8 of the Code of Virginia (1950); that the Commission entered an Initial Order on February 12, 1993, directing the Applicant to provide public notice of its Application to interested persons and further directing any person desiring to file a written comment on, object to or request a formal hearing on the Application to file such comment, objection or request for hearing on or before April 5, 1993; that the Applicant has complied with all requirements of public notice as set forth in the Commission's Order of February 12, 1993; that no request for hearing was made or comment filed;

NOW THE COMMISSION, upon consideration of the Application, the exhibits thereto, and the report of the Staff, is of the opinion and finds:

(1) That the Applicant is fit, willing and able to provide the proposed service; and

(2) That a certificate as an executive sedan carrier should be granted to the Applicant pursuant to § 56-338.114; accordingly,

IT IS ORDERED:

(1) That a certificate as an executive sedan carrier be and the same is hereby, granted authorizing them to transport passengers by executive sedan between all points in Virginia;

(2) That the certificate described in paragraph (1) above be issued to the Applicant upon satisfaction of all requirements for operation set by law and the Rules and Regulations of this Commission.

CASE NO. MCS930024
JUNE 3, 1993

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
ABDUL M. IDELBI
7101 Itte Lane
Springfield, Virginia 22150,
Defendant

FINAL JUDGMENT ORDER

This Rule to Show Cause issued against the Defendant having come on for hearing on May 25, 1993, and the Commission having found the Defendant to be in violation of the law as alleged; accordingly,

IT IS ORDERED:

(1) That the Defendant's Certificate as a limousine carrier, No. LM-188 be, and the same is hereby revoked;

(2) That all registration cards, identification markers, warrants and decals issued to the Defendant are void and shall be surrendered for cancellation.

CASE NO. MCS930026
APRIL 28, 1993

APPLICATION OF
NORLANDO NAVARRO MENDIOLA

For a certificate as an executive sedan carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission that Norlando Navarro Mendiola ("Applicant") filed an Application with the Commission requesting a certificate as an executive sedan carrier pursuant to Title 56 Chapter 12.8 of the Code of Virginia (1950); that the Commission entered an Initial Order on February 23, 1993, directing the Applicant to provide public notice of its Application to interested persons and further directing any person desiring to file a written comment on, object to or request a formal hearing on the Application to file such comment, objection or request for hearing on or before April 13, 1993; that the Applicant has complied with all requirements of public notice as set forth in the Commission's Order of February 23, 1993; that no request for hearing was made or comment filed;

NOW THE COMMISSION, upon consideration of the Application, the exhibits thereto, and the report of the Staff, is of the opinion and finds:

(1) That the Applicant is fit, willing and able to provide the proposed service; and

(2) That a certificate as an executive sedan carrier should be granted to the Applicant pursuant to § 56-338.114; accordingly,

IT IS ORDERED:

(1) That a certificate as an executive sedan carrier be and the same is hereby, granted authorizing them to transport passengers by executive sedan between all points in Virginia;

(2) That the certificate described in paragraph (1) above be issued to the Applicant upon satisfaction of all requirements for operation set by law and the Rules and Regulations of this Commission.

CASE NO. MCS930027
OCTOBER 18, 1993

APPLICATION OF
V.I.P. & CELEBRITY LIMOUSINE, INC.

For a certificate as an executive sedan carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission that V.I.P. & Celebrity Limousine, Inc. ("Applicant") filed an Application with the Commission requesting a certificate as an executive sedan carrier pursuant to Title 56 Chapter 12.8 of the Code of Virginia (1950); that the Commission entered an Initial Order on February 23, 1993, directing the Applicant to provide public notice of its Application to interested persons and further directing any person desiring to file a written comment on, object to or request a formal hearing on the Application to file such comments, objections or requests for hearing on or before April 13, 1993; that the applicant has complied with all requirements of public notice as set forth in said order; that objections to the application were filed by James W. Fox; that the applicant filed a response to the objections; that the Commission by an Order dated the 13th day of August, 1993, allowed the said James W. Fox twenty (20) days to file amended objections setting forth the specific allegations which he wished this Commission to consider in determination of the fitness of the applicant; that no amended objections were filed;

NOW THE COMMISSION, upon consideration of the Application, the Exhibits thereto, the objections filed, and the responses thereto, is of the opinion and finds:

(1) That the Applicant is fit, willing and able to provide the proposed service; and

(2) That a certificate as an executive sedan carrier should be granted to the Applicant pursuant to § 56-338.114; accordingly,

IT IS ORDERED:

(1) That a certificate as an executive sedan carrier be and the same is hereby, granted authorizing them to transport passengers by executive sedan between all points in Virginia.

CASE NO. MCS930029
APRIL 22, 1993

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
BANCMARC TRANSPORTATION INCORPORATION
1606 Santa Rosa Road
Richmond, Virginia 23229,
Defendant

FINAL JUDGMENT ORDER

This Rule to Show Cause issued against the Defendant having come on for hearing on April 20, 1993, and the Commission having found the Defendant to be in violation of the law as alleged; accordingly,

IT IS ORDERED:

(1) That the Defendant's Certificate as a limousine carrier, No. LM-238 be, and the same is hereby revoked;

(2) That all registration cards, identification markers, warrants and decals issued to the Defendant are void and shall be surrendered for cancellation.

CASE NO. MCS930032
JULY 1, 1993

APPLICATION OF
JEAN M. TARVER, t/a J S T LIMO

For a certificate as a limousine carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission ("Commission") that Jean M. Tarver t/a J S T Limo ("Applicant") filed an Application with the Commission requesting a certificate as a limousine carrier pursuant to Title 56 Chapter 12.8 of the Code of Virginia (1950); that the Commission entered an Initial Order on March 3, 1993, directing the Applicant to provide public notice of its Application to interested persons and further directing any person desiring to file a written comment on, object to, or request a formal hearing on the Application to file such comment, objection, or request for hearing on or before April 21, 1993; that the Applicant has complied with all requirements of public notice as set forth in the Commission's Order of March 3, 1993; that no request for hearing was made or comment filed;

NOW THE COMMISSION, upon consideration of the Application, the exhibits thereto and the report of the Staff, is of the opinion and finds:

(1) That the Applicant is fit, willing, and able to provide the proposed service; and

(2) That a certificate as a limousine carrier should be granted to the Applicant pursuant to § 56-338.114; accordingly,

IT IS ORDERED:

(1) That a certificate as a limousine carrier be and the same is hereby, granted authorizing Applicant to transport passengers by limousine between all points in Virginia;

(2) That the certificate described in paragraph (1) above be issued to the Applicant upon satisfaction of all requirements for operation set by law and the Rules and Regulations of this Commission.

CASE NO. MCS930034
APRIL 22, 1993

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
TOP HAT LIMO'S, INC.
t/a Above and Beyond Limousine Service
5535 Clermont Drive
Alexandria, Virginia 22310,
Defendant

FINAL JUDGMENT ORDER

This Rule to Show Cause issued against the Defendant having come on for hearing on April 20, 1993, and the Commission having found the Defendant to be in violation of the law as alleged; accordingly,

IT IS ORDERED:

(1) That the Defendant's Certificate as a limousine carrier, No. LM-117 be, and the same is hereby revoked;

(2) That all registration cards, identification markers, warrants and decals issued to the Defendant are void and shall be surrendered for cancellation.

CASE NO. MCS930039
MAY 7, 1993

APPLICATION OF
DAN O. MAYS, t/a ACE LIMOUSINE SERVICE

For a certificate as a limousine carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission that Dan O. Mays t/a Ace Limousine Service ("Applicant") filed an Application with the Commission requesting a certificate as a limousine carrier pursuant to Title 56 Chapter 12.8 of the Code of Virginia (1950); that the Commission entered an Initial Order on March 16, 1993, directing the Applicant to provide public notice of its Application to interested persons and further directing any person desiring to file a written comment on, object to or request a formal hearing on the Application to file such comment, objection or request for hearing on or before May 4, 1993; that the Applicant has complied with all requirements of public notice as set forth in the Commission's Order of March 16, 1993; that no request for hearing was made or comment filed;

NOW THE COMMISSION, upon consideration of the Application, the exhibits thereto, and the report of the Staff, is of the opinion and finds:

(1) That the Applicant is fit, willing and able to provide the proposed service; and

(2) That a certificate as a limousine carrier should be granted to the Applicant pursuant to § 56-338.114; accordingly,

IT IS ORDERED:

(1) That a certificate as a limousine carrier be and the same is hereby, granted authorizing them to transport passengers by limousine between all points in Virginia;

(2) That the certificate described in paragraph (1) above be issued to the Applicant upon satisfaction of all requirements for operation set by law and the Rules and Regulations of this Commission.

CASE NO. MCS930040
AUGUST 2, 1993

APPLICATION OF
LINCOLN SEDAN, INC.

For a certificate as an executive sedan carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission ("Commission") that Lincoln Sedan, Inc. ("Applicant") filed an Application with the Commission requesting a certificate as an executive sedan carrier pursuant to Title 56 Chapter 12.8 of the Code of Virginia (1950); that the Commission entered an Amending Order on June 7, 1993, directing the Applicant to provide public notice of its Application to interested persons and further directing any person desiring to file a written comment on, object to, or request a formal hearing on the Application to file such comment, objection, or request for hearing on or before July 25, 1993; that the Applicant has complied with all requirements of public notice as set forth in the Commission's Order of June 7, 1993; that no request for hearing was made or comment filed;

NOW THE COMMISSION, upon consideration of the Application, the exhibits thereto, and the report of the Staff, is of the opinion and finds:

(1) That the Applicant is fit, willing, and able to provide the proposed service; and

(2) That a certificate as an executive sedan carrier should be granted to the Applicant pursuant to § 56-338.114; accordingly,

IT IS ORDERED:

(1) That a certificate as an executive sedan carrier be, and the same is hereby, granted, authorizing Applicant to transport passengers by executive sedan between all points in Virginia;

(2) That the certificate described in paragraph (1) above be issued to the Applicant upon satisfaction of all requirements for operation set by law and the Rules and Regulations of this Commission.

CASE NO. MCS930045
MAY 5, 1993

IN THE MATTER OF
HALLMARK MOVING & STORAGE, INC.
and
HARRISON'S MOVING & STORAGE, INC.

To amend a certificate of public convenience and necessity as a household goods carrier No. HG-418

ADMINISTRATIVE ORDER

IT APPEARING to the State Corporation Commission that Hallmark Moving & Storage, Inc., is the holder of a certificate of convenience and necessity as a household goods carrier, No. HG-418; and

IT FURTHER APPEARING to the Commission that Hallmark Moving & Storage, Inc., and Harrison's Moving & Storage, Inc., duly merged as shown by a Certificate of Merger entered by the Commission on December 12, 1991, with the surviving corporation being Harrison's Moving & Storage, Inc.; accordingly,

IT IS ORDERED:

(1) That the aforementioned certificate of public convenience and necessity as a household goods carrier, No. HG-418, be, and the same is hereby, amended to reflect the new corporate name, Hallmark Moving & Storage, Inc.

CASE NO. MCS930046
DECEMBER 8, 1993

APPLICATION OF
GREAT AMERICAN VACATIONS, INC.

For a certificate of public convenience and necessity as a special or charter party carrier by motor vehicle

FINAL ORDER

ON ANOTHER DAY the Commission ordered that a public hearing be held before a hearing examiner on May 13, 1993, to receive evidence on this application for a certificate of public convenience and necessity as a special or charter party carrier by motor vehicle. Applicant seeks authority to provide service from points of origin located in the counties of Allegheny, Amherst, Botetourt, Bath, Bedford, Franklin, Henry, Giles, Campbell, as well as the cities of Clifton Forge, Covington, Lynchburg, Bedford, Martinsville, and Danville to all points within the Commonwealth of Virginia.

ON THE APPOINTED DAY the hearing was held before Hearing Examiner Glenn P. Richardson. Aubrey J. Rosser, Jr. appeared as counsel for the Applicant. Graham G. Ludwig, Jr., Esquire appeared as counsel to the Commission. Calvin F. Major appeared as counsel to the Protestant, and no intervener(s) participated in the proceeding. The Applicant produced five (5) witnesses in support of the application. At the conclusion of the Applicant's case in chief, the Protestant made a motion to strike on the grounds that the financial statement of the Applicant was inadequate. The Hearing Examiner then continued the hearing to June 23, 1993, to allow the Applicant time to file a new financial statement and allow the Protestant the opportunity to examine the preparer of the statement. The hearing was resumed on June 23, 1993, and evidence on the financial statement of the Applicant was heard and the Protestant offered evidence.

At the conclusion of the hearing, the Hearing Examiner announced his findings from the bench and advised counsel that he would recommend that the Commission enter an order granting the application. The transcript of the hearing and the Hearing Examiner's Report were filed.

The Hearing Examiner made the following findings:

(1) The Applicant is fit, willing, and able to render adequate and reliable service as a special or charter party carrier by motor vehicle;

(2) The Applicant can and will comply with all provisions of law and the Rules and Regulations of the Commission; and

(3) The application is warranted by the public convenience and necessity;

The Protestant filed comments to the Hearing Examiner's Report.

UPON CONSIDERATION of the application, the Hearing Examiner's Report, the transcript, and the comments, the Commission is of the opinion and finds that the application is justified by the public convenience and necessity and should be granted; accordingly,

IT IS ORDERED:

(1) That Great American Vacations, Inc. is granted a certificate of public convenience and necessity as a special or charter party carrier by motor vehicle authorizing it to transport passengers as a special or charter party carrier by motor vehicle from points of origin located in the counties of Allegheny, Amherst, Botetourt, Bath, Bedford, Franklin, Henry, Giles, Campbell, as well as the cities of Clifton Forge, Covington, Lynchburg, Bedford, Martinsville, and Danville to all points within the Commonwealth of Virginia.

CASE NO. MCS930047
JUNE 30, 1993

APPLICATION OF
ALIA INTERNATIONAL SERVICES, INC., t/a LIMO EXPRESS

For a certificate as an executive sedan carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission that Alia International Services, Inc., t/a Limo Express ("Applicant") filed an Application with the Commission requesting a certificate as an executive sedan carrier pursuant to Title 56 Chapter 12.8 of the Code of Virginia (1950); that the Commission entered an Initial Order on April 7, 1993, directing the Applicant to provide public notice of its Application to interested persons and further directing any person desiring to file a written comment on, object to or request a formal hearing on the Application to file such comment, objection or request for hearing on or before May 25, 1993; that the Applicant has complied with all requirements of public notice as set forth in the Commission's Order of April 7, 1993; that no request for hearing was made or comment filed;

NOW THE COMMISSION, upon consideration of the Application, the exhibits thereto, and the report of the Staff, is of the opinic and finds:

(1) That the Applicant is fit, willing and able to provide the proposed service; and

(2) That a certificate as an executive sedan carrier should be granted to the Applicant pursuant to § 56-338.114; accordingly,

IT IS ORDERED:

(1) That a certificate as an executive sedan carrier be and the same is hereby, granted authorizing them to transport passengers by executive sedan between all points in Virginia;

(2) That the certificate described in paragraph (1) above be issued to the Applicant upon satisfaction of all requirements for operation set by law and the Rules and Regulations of this Commission.

CASE NO. MCS930048
JUNE 11, 1993

APPLICATION OF
GREAT AMERICAN VAN AND STORAGE, INC.,
Transferor
and
COVAN WORLD-WIDE MOVING, INC.,
Transferee

To transfer certificate of public convenience and necessity as a household goods carrier No. HG-174

FINAL ORDER

ON ANOTHER DAY the Commission ordered that a public hearing be held before a Hearing Examiner on May 19, 1993, to consider this Application to transfer certificate of public convenience and necessity as household goods carrier No. HG-174 which authorizes the holder thereof to transport household goods between all points in Virginia.

ON THE APPOINTED DAY, the hearing was held before Hearing Examiner Glenn P. Richardson. Meredith A. House, Esquire, appeared as counsel for the Applicants. Graham G. Ludwig, Jr., Esquire appeared as counsel for the Commission. No protests were filed and no intervener(s) participated in the proceeding.

After considering the evidence presented in the case, the Hearing Examiner found:

(1) That the Transferee is fit, willing and able to provide the services required under the transfer of certificate No. HG-174;

(2) That the Transferee can and will comply with all provisions of law and the Rules and Regulations of the Commission; and

(3) That the Application is proper and in the public interest.

At the conclusion of the hearing on this Application, the Hearing Examiner announced the above findings and advised counsel for the Applicants that he would recommend that the Commission enter an Order granting the Application. Counsel then waived his right to file any comments to the Hearing Examiner's Report and the customary fifteen (15) day comment period was determined to be unnecessary.

Upon consideration of the Application and the Hearing Examiner's Report, the Commission is of the opinion, and so finds, that the Application is proper and in the public interest and should be granted; accordingly,

IT IS ORDERED:

(1) That the findings of the Hearing Examiner's Report be, and the same are hereby, adopted;

(2) That the transfer of certificate of public convenience and necessity as a household goods carrier No. HG-174 be, and the same is hereby, granted.

CASE NO. MCS930049
JUNE 15, 1993

APPLICATION OF
JAMES M. GARRISON, t/a JAMES LIMOUSINE TRANSPORTATION

For a certificate as an executive sedan carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission that James M. Garrison, t/a James Limousine Transportation ("Applicant") filed an Application with the Commission requesting a certificate as an executive sedan carrier pursuant to Title 56 Chapter 12.8 of the Code of Virginia (1950); that the Commission entered an Initial Order on April 7, 1993, directing the Applicant to provide public notice of its Application to interested persons and further directing any person desiring to file a written comment on, object to or request a formal hearing on the Application to file such comment, objection or request for hearing on or before May 25, 1993; that the Applicant has complied with all requirements of public notice as set forth in the Commission's Order of April 7, 1993; that no request for hearing was made or comment filed;

NOW THE COMMISSION, upon consideration of the Application, the exhibits thereto, and the report of the Staff, is of the opinion and finds:

(1) That the Applicant is fit, willing and able to provide the proposed service; and

(2) That a certificate as an executive sedan carrier should be granted to the Applicant pursuant to § 56-338.114; accordingly,

IT IS ORDERED:

(1) That a certificate as an executive sedan carrier be and the same is hereby, granted authorizing them to transport passengers by executive sedan between all points in Virginia;

(2) That the certificate described in paragraph (1) above be issued to the Applicant upon satisfaction of all requirements for operation set by law and the Rules and Regulations of this Commission.

CASE NO. MCS930053
JUNE 4, 1993

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
PROFESSIONAL LIMO SERVICE, INC.
1150 West Broad Street
Richmond, Virginia 22980,
Defendant

FINAL JUDGMENT ORDER

This Rule to Show Cause issued against the Defendant having come on for hearing on May 25, 1993, and the Commission having found the Defendant to be in violation of the law as alleged; accordingly,

IT IS ORDERED:

(1) That the Defendant's Certificate as a limousine carrier, No. LM-208 be, and the same is hereby revoked;

(2) That all registration cards, identification markers, warrants and decals issued to the Defendant are void and shall be surrendered for cancellation.

CASE NO. MCS930054
JULY 6, 1993

APPLICATION OF
DOMINION COACH COMPANY,
Transferor
and
BON AIR TRANSIT COMPANY, t/a VIRGINIA OVERLAND CHARTER SERVICE,
Transferee

To transfer portion of a certificate of public convenience and necessity as a special or charter party carrier No. B-350

FINAL ORDER

ON ANOTHER DAY the Commission ordered that a public hearing be held before a Hearing Examiner on June 28, 1993, to receive evidence on this Application for the transfer of a portion of a certificate of public convenience and necessity as a special or charter party carrier No. B-350 which would authorize the holder thereof to transport passengers by special or charter party groups to all points in Virginia from points of origin as shown in Schedule A attached hereto.

ON THE APPOINTED DAY, the hearing was held before Hearing Examiner Howard P.Anderson. Calvin Major, Esquire, appeared as counsel for the Applicants. Graham G. Ludwig, Jr., Esquire appeared as counsel for the Commission. No protestants or interveners appeared or participated at the hearing.

After considering the evidence presented in the case, the Hearing Examiner found:

(1) That the Transferee is fit, willing and able to provide the services required under the transfer of that portion of certificate No. B-350 as shown in Schedule A;

(2) That the Transferee can and will comply with all provisions of law and the Rules and Regulations of the Commission; and

(3) That the Application is proper and in the public interest.

At the conclusion of the hearing on this Application, the Hearing Examiner announced the above findings and advised counsel for the Applicants that he would recommend that the Commission enter an Order granting the Application. Counsel then waived his right to file any comments to the Hearing Examiner's Report and the customary fifteen (15) day comment period was determined to be unnecessary.

Upon consideration of the Application and the Hearing Examiner's Report, the Commission is of the opinion, and so finds, that the Application is proper and in the public interest and should be granted; accordingly,

IT IS ORDERED:

(1) That the findings of the Hearing Examiner's Report be, and the same are hereby, adopted;

(2) That the transfer of that portion of certificate of public convenience and necessity No. B-350 as shown on Schedule A attached hereto be, and the same is hereby, granted.

NOTE: A copy of Schedule A 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. MCS930055
AUGUST 16, 1993

APPLICATION OF
DULLES AIRPORT TRANSPORTATION, INC.

For a certificate as an executive sedan carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission ("Commission") that Dulles Airport Transportation, Inc., ("Applicant") filed an Application with the Commission requesting a certificate as an executive sedan carrier pursuant to Title 56 Chapter 12.8 of the Code of Virginia (1950); that the Commission entered an Initial Order on April 12, 1993, directing the Applicant to provide public notice of its Application to interested persons and further directing any person desiring to file a written comment on, object to, or request a formal hearing on the Application to file such comment, objection, or request for hearing on or before May 21, 1993; that the Applicant has complied with all requirements of public notice as set forth in the Commission's Order of April 12, 1993; that no request for hearing was made or comment filed;

NOW THE COMMISSION, upon consideration of the Application, the exhibits thereto, and the report of the Staff, is of the opinion and finds:

(1) That the Applicant is fit, willing, and able to provide the proposed service; and

(2) That a certificate as an executive sedan carrier should be granted to the Applicant pursuant to § 56-338.114; accordingly,

IT IS ORDERED:

(1) That a certificate as an executive sedan carrier be, and the same is hereby, granted, authorizing Applicant to transport passengers by executive sedan between all points in Virginia;

(2) That the certificate described in paragraph (1) above be issued to the Applicant upon satisfaction of all requirements for operation set by law and the Rules and Regulations of this Commission.

CASE NO. MCS930058
JUNE 15, 1993

APPLICATION OF
MOHAMMAD GHANNAM

For a certificate as a limousine carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission that Mohammad Ghannam ("Applicant") filed an Application with the Commission requesting a certificate as a limousine carrier pursuant to Title 56 Chapter 12.8 of the Code of Virginia (1950); that the Commission entered an Initial Order on April 15, 1993, directing the Applicant to provide public notice of its Application to interested persons and further directing any person desiring to file a written comment on, object to or request a formal hearing on the Application to file such comment, objection or request for hearing on or before May 20, 1993; that the Applicant has complied with all requirements of public notice as set forth in the Commission's Order of April 15, 1993; that no request for hearing was made or comment filed;

NOW THE COMMISSION, upon consideration of the Application, the exhibits thereto, and the report of the Staff, is of the opinion and finds:

(1) That the Applicant is fit, willing and able to provide the proposed service; and

(2) That a certificate as a limousine carrier should be granted to the Applicant pursuant to § 56-338.114; accordingly,

IT IS ORDERED:

(1) That a certificate as a limousine carrier be and the same is hereby, granted authorizing them to transport passengers by limousine between all points in Virginia;

(2) That the certificate described in paragraph (1) above be issued to the Applicant upon satisfaction of all requirements for operation set by law and the Rules and Regulations of this Commission.

CASE NO. MCS930059
OCTOBER 27, 1993

APPLICATION OF
OIL TRANSPORT, INCORPORATED

For a certificate of public convenience and necessity as a petroleum tank truck carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission that Oil Transport, Incorporated ("Applicant") filed an Application with the Commission requesting a certificate of public convenience and necessity as a petroleum tank truck carrier which would authorize it to engage in the operations of transporting petroleum products from points of origin located in the city of Roanoke.

ON THE APPOINTED DAY, the Application came on for hearing before Hearing Examiner Howard P. Anderson, Jr., Charles W. Hundley, Esquire, appeared as counsel for the Applicant and Calvin F. Major, Esquire, appeared as counsel for the Protestant. Graham G. Ludwig, Jr., Esquire, appeared as counsel for the Commission. No interveners appeared or participated at the hearing.

At the conclusion of the hearing on this application, the Hearing Examiner announced his findings and advised the parties of the 15 day comment period. Comments were filed and the Protestant requested further opportunity to present oral arguments.

Upon consideration of the Application, the record of the hearing, the Hearing Examiner's Report and the comments to the Hearing Examiner's Report, the Commission is of the opinion and so finds, that no further oral arguments are required, the Application is proper and justified by the public convenience and necessity and should be granted; accordingly,

IT IS ORDERED:

(1) That the Protestant's request for oral argument is hereby denied;

(2) That a certificate of public convenience and necessity as a petroleum tank truck carrier, as set forth in the application, be, and the same is hereby, granted.

CASE NO. MCS930060
AUGUST 13, 1993

APPLICATION OF
JAMES C. AND GENE N. HERNDON, a partnership, t/a JMS SEDAN SERVICE

For a certificate as an executive sedan carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission ("Commission") that James C. and Gene N. Herndon, a partnership, t/a JMS Sedan Service ("Applicant") filed an Application with the Commission requesting a certificate as an executive sedan carrier pursuant to Title 56 Chapter 12.8 of the Code of Virginia (1950); that the Commission entered an Initial Order on April 16th, 1993, directing the Applicant to provide public notice of its Application to interested persons and further directing any person desiring to file a written comment on, object to, or request a formal hearing on the Application to file such comment, objection, or request for hearing on or before May 20, 1993; that the Applicant has complied with all requirements of public notice as set forth in the Commission's Order of April 16, 1993; that no request for hearing was made or comment filed;

NOW THE COMMISSION, upon consideration of the Application, the exhibits thereto, and the report of the Staff, is of the opinion and finds:

(1) That the Applicant is fit, willing, and able to provide the proposed service; and

(2) That a certificate as an executive sedan carrier should be granted to the Applicant pursuant to § 56-338.114; accordingly,

IT IS ORDERED:

(1) That a certificate as an executive sedan carrier be, and the same is hereby, granted, authorizing Applicant to transport passengers by executive sedan between all points in Virginia;

(2) That the certificate described in paragraph (1) above be issued to the Applicant upon satisfaction of all requirements for operation set by law and the Rules and Regulations of this Commission.

CASE NO. MCS930063
AUGUST 19, 1993

APPLICATION OF
C.M.C., INC.

For a certificate as an executive sedan carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission ("Commission") that C.M.C., Inc., ("Applicant") filed an Application with the Commission requesting a certificate as an executive sedan carrier pursuant to Title 56 Chapter 12.8 of the Code of Virginia (1950); that the Commission entered an Initial Order on April 27, 1993, directing the Applicant to provide public notice of its Application to interested persons and further directing any person desiring to file a written comment on, object to, or request a formal hearing on the Application to file such comment, objection, or request for hearing on or before June 4, 1993; that the Applicant has complied with all requirements of public notice as set forth in the Commission's Order of April 27, 1993; that no request for hearing was made or comment filed;

NOW THE COMMISSION, upon consideration of the Application, the exhibits thereto, and the report of the Staff, is of the opinion and finds:

(1) That the Applicant is fit, willing, and able to provide the proposed service; and

(2) That a certificate as an executive sedan carrier should be granted to the Applicant pursuant to § 56-338.114; accordingly,

IT IS ORDERED:

(1) That a certificate as an executive sedan carrier be, and the same is hereby, granted, authorizing Applicant to transport passengers by executive sedan between all points in Virginia;

(2) That the certificate described in paragraph (1) above issued to the Applicant upon satisfaction of all requirements for operation set by law and the Rules and Regulations of this Commission.

CASE NO. MCS930065
AUGUST 13, 1993

APPLICATION OF
HERITAGE LIMOUSINE COMPANY

For a certificate as a limousine carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission ("Commission") that Heritage Limousine Company ("Applicant") filed an Application with the Commission requesting a certificate as a limousine carrier pursuant to Title 56 Chapter 12.8 of the Code of Virginia (1950); that the Commission entered an Initial Order on April 27th, 1993, directing the Applicant to provide public notice of its Application to interested persons and further directing any person desiring to file a written comment on, object to, or request a formal hearing on the Application to file such comment, objection, or request for hearing on or before June 4, 1993; that the Applicant has complied with all requirements of public notice as set forth in the Commission's Order of April 27, 1993; that no request for hearing was made or comment filed;

NOW THE COMMISSION, upon consideration of the Application, the exhibits thereto, and the report of the Staff, is of the opinion and finds:

(1) That the Applicant is fit, willing, and able to provide the proposed service; and

(2) That a certificate as a limousine carrier should be granted to the Applicant pursuant to § 56-338.114; accordingly,

IT IS ORDERED:

(1) That a certificate as a limousine carrier be and the same is hereby, granted authorizing Applicant to transport passengers by limousine between all points in Virginia;

(2) That the certificate described in paragraph (1) above be issued to the Applicant upon satisfaction of all requirements for operation set by law and the Rules and Regulations of this Commission.

CASE NO. MCS930066
JUNE 23, 1993

APPLICATION OF
LORRAINE T. SMITH, t/a "JOY RIDE"

For a certificate as a limousine carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission that Lorraine T. Smith t/a "Joy Ride" ("Applicant") filed an Application with the Commission requesting a certificate as a limousine carrier pursuant to Title 56 Chapter 12.8 of the Code of Virginia (1950); that the Commission entered an Initial Order on April 27, 1993, directing the Applicant to provide public notice of its Application to interested persons and further directing any person desiring to file a written comment on, object to or request a formal hearing on the Application to file such comment, objection or request for hearing on or before June 4, 1993; that the Applicant has complied with all requirements of public notice as set forth in the Commission's Order of April 27, 1993; that no request for hearing was made or comment filed;

NOW THE COMMISSION, upon consideration of the Application, the exhibits thereto and the report of the Staff, is of the opinion and finds:

(1) That the Applicant is fit, willing and able to provide the proposed service; and

(2) That a certificate as a limousine carrier should be granted to the Applicant pursuant to § 56-338.114; accordingly,

IT IS ORDERED:

(1) That a certificate as a limousine carrier be and the same is hereby, granted authorizing them to transport passengers by limousine between all points in Virginia;

(2) That the certificate described in paragraph (1) above be issued to the Applicant upon satisfaction of all requirements for operation set by law and the Rules and Regulations of this Commission.

CASE NO. MCS930069
OCTOBER 13, 1993

APPLICATION OF
CHRISTOPHER D. BAKER

For a certificate as an executive sedan carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission ("Commission") that Christopher D. Baker ("Applicant") filed an Application with the Commission requesting a certificate as an executive sedan carrier pursuant to Title 56 Chapter 12.8 of the Code of Virginia (1950); that the Commission entered an Amending Order on August 19, 1993, directing the Applicant to provide public notice of its Application to interested persons and further directing any person desiring to file a written comment on, object to, or request a formal hearing on the Application to file such comment, objection, or request for hearing on or before October 12, 1993; that the Applicant has complied with all requirements of public notice as set forth in the Commission's Order of August 19, 1993; that no request for hearing was made or comment filed;

NOW THE COMMISSION, upon consideration of the Application, the exhibits thereto, and the report of the Staff, is of the opinion and finds:

(1) That the Applicant is fit, willing, and able to provide the proposed service; and

(2) That a certificate as an executive sedan carrier should be granted to the Applicant pursuant to § 56-338.114; accordingly,

IT IS ORDERED:

(1) That a certificate as an executive sedan carrier be, and the same is hereby, granted, authorizing Applicant to transport passengers by executive sedan between all points in Virginia;

(2) That the certificate described in paragraph (1) above be issued to the Applicant upon satisfaction of all requirements for operation set by law and the Rules and Regulations of this Commission.

CASE NO. MCS930070
SEPTEMBER 16, 1993

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
ROCCO J. DELEONARDIS
BOX 3093
MCLEAN, VIRGINIA 22103,
Defendant

FINAL JUDGMENT ORDER

The Rule to Show Cause issued against the Defendant, having come on for hearing on September 14, 1993, and the Commission having found the Defendant to be in violation of the law as alleged; accordingly,

IT IS ORDERED:

(1) That the Defendant's Certificate as a limousine carrier, No. XS-54, be, and the same is hereby revoked;

(2) That all registration cards, identification markers, warrants, and decals issued to the Defendant are void and shall be surrendered for cancellation.

CASE NO. MCS930071
OCTOBER 20, 1993

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
DMV LIMOUSINE
6022 Netherton Street
Centreville, Virginia 22020,
Defendant

FINAL JUDGMENT ORDER

The Rule to Show Cause issued against the Defendant, having come on for hearing on October 19, 1993, and the Commission having found the Defendant to be in violation of the law as alleged; accordingly,

IT IS ORDERED:

(1) That the Defendant's Certificate as a limousine carrier, No. XS-68, be, and the same is hereby revoked;

(2) That all registration cards, identification markers, warrants, and decals issued to the Defendant are void and shall be surrendered for cancellation.

CASE NO. MCS930072
JULY 15, 1993

APPLICATION OF
STAFFORD LIMOUSINE, INC.

For a certificate as an executive sedan carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission ("Commission") that Stafford Limousine, Inc. ("Applicant") filed an application with the Commission requesting a certificate as an executive sedan carrier pursuant to Title 56 Chapter 12.8 of the Code of Virginia (1950); that the Commission entered an Initial Order on May 11, 1993, directing the Applicant to provide public notice of its application to interested persons and further directing any person desiring to file a written comment on, object to, or request a formal hearing on the application to file such comment, objection, or request for hearing on or before June 21, 1993; that the Applicant has complied with all requirements of public notice as set forth in the Commission's Order of May 11, 1993; that no request for hearing was made or comment filed;

NOW THE COMMISSION, upon consideration of the application, the exhibits thereto, and the report of the Staff, is of the opinion and finds:

(1) That the Applicant is fit, willing, and able to provide the proposed service; and

(2) That a certificate as an executive sedan carrier should be granted to the Applicant pursuant to § 56-338.114; accordingly,

IT IS ORDERED:

(1) That a certificate as an executive sedan carrier be, and the same is hereby, granted, authorizing Applicant to transport passengers by executive sedan between all points in Virginia;

(2) That the certificate described in paragraph (1) above be issued to the Applicant upon satisfaction of all requirements for operation set by law and the Rules and Regulations of this Commission.

CASE NO. MCS930073
JUNE 25, 1993

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
ARNELL'S LIMOUSINE SERVICE, INC.
1606 Penwood Drive
Hampton, Virginia 23666,
Defendant

FINAL JUDGMENT ORDER

The Rule to Show Cause issued against the Defendant, having come on for hearing on June 22, 1993, and the Commission having found the Defendant to be in violation of the law as alleged; accordingly,

IT IS ORDERED:

(1) That the Defendant's Certificate as a limousine carrier, No. LM-194, be, and the same is hereby revoked;

(2) That all registration cards, identification markers, warrants, and decals issued to the Defendant are void and shall be surrendered for cancellation.

CASE NO. MCS930074
OCTOBER 6, 1993

APPLICATION OF
ERIN KAY CHARTERS, INC.

For a certificate of public convenience and necessity as a sight-seeing and special or charter party carrier by boat

FINAL ORDER

ON ANOTHER DAY the Commission ordered that a public hearing be held before a hearing examiner on September 21, 1993, to receive evidence on this application for a certificate of public convenience and necessity as a sight-seeing and special or charter party carrier by boat. Applicant seeks authority to provide service as shown on Appendix A attached hereto.

ON THE APPOINTED DAY the hearing was held before Hearing Examiner Glenn P. Richardson. Michael T. Soberick, Esquire, appeared as counsel for Applicant. Graham G. Ludwig, Jr., Esquire, appeared as counsel to the Commission. No Protestants or interveners appeared.

At the conclusion of the hearing, the Hearing Examiner announced his findings from the bench and advised counsel of record that he would recommend that the Commission enter an order granting the application. The Applicant then waived its 15 day comment period.

The Hearing Examiner made the following findings:

(1) The Applicant is fit, willing, and able to render adequate and reliable service as a sight-seeing and special or charter party carrier by boat; and

(2) The application is warranted by the public convenience and necessity.

UPON CONSIDERATION of the application and the findings of the Hearing Examiner, the Commission is of the opinion and finds that the application is justified by public convenience and necessity and should be granted; accordingly,

IT IS ORDERED:

(1) That the Hearing Examiner's findings be, and the same are hereby, adopted in their entirety;

(2) That Erin Kay Charters, Inc. is granted a certificate of public convenience and necessity as a sight-seeing and special or charter party carrier by boat as shown on Appendix A attached hereto.

NOTE: A copy of Appendix A 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. MCS930075
AUGUST 24, 1993

APPLICATION OF
BEACH LIMOUSINE SERVICE, INC.,
Transferor
and
EAST COAST LIMOUSINE SERVICE, INC.,
Transferee

For a certificate as a limousine carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission ("Commission") that Beach Limousine Service, Inc. and East Coast Limousine Services, Inc. have filed an Application with the Commission requesting a transfer of Certificate No. LM-58 as a limousine carrier pursuant to Title 56 Chapter 12.8 of the Code of Virginia (1950) be transferred; that the Commission entered an Initial Order on June 7, 1993, directing the Applicants to provide public notice of their Application to interested persons and further directing any person desiring to file a written comment on, object to, or request a formal hearing on the Application to file such comment, objection, or request for hearing on or before August 16, 1993; that the Applicants have complied with all requirements of public notice as set forth in the Commission's Order of June 7, 1993; that no request for hearing was made or comment filed;

NOW THE COMMISSION, upon consideration of the Application, the exhibits thereto, and the report of the Staff, is of the opinion and finds:

(1) That the Transferee is fit, willing, and able to provide the proposed service; and

(2) That Certificate No. LM-59 as a limousine carrier should be transfered to the transferee pursuant to § 56-338.114; accordingly,

IT IS ORDERED:

(1) That the transfer of Certificate No. LM-59 as a limousine carrier be, and the same is hereby, granted, authorizing transferee to transport passengers by limousine between all points in Virginia;

(2) That the certificate described in paragraph (1) above be issued to the Applicant upon satisfaction of all requirements for operation set by law and the Rules and Regulations of this Commission.

CASE NO. MCS930076
JULY 20, 1993

APPLICATION OF
SERVICES INTERNATIONAL, INC.

For a certificate as an executive sedan carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission ("Commission") that Services International, Inc. ("Applicant") filed an application with the Commission requesting a certificate as an executive sedan carrier pursuant to Title 56 Chapter 12.8 of the Code of Virginia (1950); that the Commission entered an Initial Order on May 5, 1993, directing the Applicant to provide public notice of its application to interested persons and further directing any person desiring to file a written comment on, object to, or request a formal hearing on the application to file such comment, objection, or request for hearing on or before July 5, 1993; that the Applicant has complied with all requirements of public notice as set forth in the Commission's Order of May 13, 1993; that no request for hearing was made or comment filed;

NOW THE COMMISSION, upon consideration of the application, the exhibits thereto, and the report of the Staff, is of the opinion and finds:

(1) That the Applicant is fit, willing, and able to provide the proposed service; and

(2) That a certificate as an executive sedan carrier should be granted to the Applicant pursuant to § 56-338.114; accordingly,

IT IS ORDERED:

(1) That a certificate as an executive sedan carrier be, and the same is hereby, granted, authorizing Applicant to transport passengers by executive sedan between all points in Virginia;

(2) That the certificate described in paragraph (1) above be issued to the Applicant upon satisfaction of all requirements for operation set by law and the Rules and Regulations of this Commission.

CASE NO. MCS930077
SEPTEMBER 21, 1993

APPLICATION OF
STEVAN MARISH, JR.,
Transferor
and
NORTHERN VIRGINIA SEDAN SERVICE, INC.,
Transferee

FINAL ORDER

IT APPEARING to the State Corporation Commission that Stevan Marish, Jr., (Transferor) and Northern Virginia Sedan Service, Inc. (Transferee) filed an application with the Commission requesting the transfer of Limousine Certificate No. lm-218; that the Commission entered an Initial Order on June 7, 1993, directing the applicants to provide public notice of their Application to interested persons and further directing any person desiring to file a written comment, objection to or request for hearing on the Application to file such comment, objection or request for hearing on or before the 16th day of August, 1993; That the applicants have complied with all requirements of public notice as set forth in the Commission' order of June 7, 1993; That no request for hearing was made or comment timely filed;

NOW THE COMMISSION, upon consideration of the Application, the exhibits thereto, and the report of the Staff, is of the opinion and finds:

(1) That the Transferee is fit, willing and able to provide the proposed service; and

(2) That a certificate as a limousine carrier should be transferred to the Transferee pursuant to § 56-338.114; accordingly,

IT IS ORDERED:

(1) That a certificate as a limousine carrier No. lm-218 be and the same is hereby, transferred to the Transferee authorizing them to transport passengers by limousine between all points in Virginia;

(2) That the certificate described in paragraph (1) above be issued to the Transferee upon satisfaction of all requirements for operation set by law and the Rules and Regulation of this Commission.

CASE NO. MCS930080
AUGUST 13, 1993

APPLICATION OF
AUDREY SAVAGE & HARRISON SAVAGE

For a certificate of public convenience and necessity as a special or charter party carrier by motor vehicle

FINAL ORDER

ON ANOTHER DAY the Commission ordered that a public hearing be held before a hearing examiner on July 28, 1993, to receive evidence on this application for a certificate of public convenience and necessity as a special or charter party carrier by motor vehicle. Applicant seeks authority to provide service from points of origin located in the counties of Accomac and Northampton to all points within the Commonwealth of Virginia.

ON THE APPOINTED DAY the hearing was held before Hearing Examiner Russell Cunningham. Nicholas D. Heil, Esquire, appeared as counsel for the Applicant. Graham G. Ludwig, Jr., Esquire appeared as counsel to the Commission. No Protestants or interveners participated.

At the conclusion of the hearing, the Hearing Examiner announced his findings from the bench and advised that he would recommend that the Commission enter an order granting the Application. At which point, the Counsel for the Applicant advised that he would waive the 15 day comment period.

The Hearing Examiner made the following findings:

(1) The Applicant is fit, willing, and able to render adequate and reliable service as a special or charter party carrier by motor vehicle;

(2) The Applicant can and will comply with all provisions of law and the Rules and Regulations of the Commission; and

(3) The application is warranted by the public convenience and necessity;

UPON CONSIDERATION of the application, the Hearing Examiner's Report, the transcript, and the comments, the Commission is of the opinion and finds that the application is justified by the public convenience and necessity and should be granted; accordingly,

IT IS ORDERED:

(1) That the Hearing Examiner's findings be, and the same are hereby, adopted in their entirety;

(2) That Audrey Savage & Harrison Savage is granted a certificate of public convenience and necessity as a special or charter party carrier by motor vehicle authorizing it to transport passengers as a special or charter party carrier by motor vehicle from points of origin located in the counties of Accomac and Northampton to all points within the Commonwealth of Virginia.

CASE NO. MCS930081
JULY 15, 1993

APPLICATION OF
GO-FER SERVICES, INC.

For a certificate as an executive sedan carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission ("Commission") that Go-Fer Services, Inc. ("Applicant") filed an application with the Commission requesting a certificate as an executive sedan carrier pursuant to Title 56 Chapter 12.8 of the Code of Virginia (1950); that the Commission entered an Initial Order on May 24, 1993, directing the Applicant to provide public notice of its application to interested persons and further directing any person desiring to file a written comment on, object to, or request a formal hearing on the application to file such comment, objection, or request for hearing on or before July 8, 1993; that the Applicant has complied with all requirements of public notice as set forth in the Commission's Order of May 24, 1993; that no request for hearing was made or comment filed;

NOW THE COMMISSION, upon consideration of the application, the exhibits thereto, and the report of the Staff, is of the opinion and finds:

(1) That the Applicant is fit, willing, and able to provide the proposed service; and

(2) That a certificate as an executive sedan carrier should be granted to the Applicant pursuant to § 56-338.114; accordingly,

IT IS ORDERED:

(1) That a certificate as an executive sedan carrier be, and the same is hereby, granted, authorizing Applicant to transport passengers by executive sedan between all points in Virginia;

(2) That the certificate described in paragraph (1) above be issued to the Applicant upon satisfaction of all requirements for operation set by law and the Rules and Regulations of this Commission.

CASE NO. MCS930087
OCTOBER 27, 1993

APPLICATION OF
WESTFIELDS INTERNATIONAL CONFERENCE CENTER, INC.,
Transferor
and
CONFERENCE CENTER INTERESTS, INC.,
Transferee

For a license to broker the transportation of passengers by motor vehicle

FINAL ORDER

ON ANOTHER DAY the Commission ordered that a public hearing be held before a hearing examiner on September 15, 1993, to receive evidence on this Application for the transfer of License No. B-135.

ON THE APPOINTED DAY the hearing was held before Hearing Examiner Glenn P. Richardson. Kennth S. Jacob, Esquire, appeared as counsel for the Applicants. Graham G. Ludwig, Jr., Esquire appeared as counsel for the Commission. No Protestants or interveners appeared or participated at the hearing.

After considering the evidence presented in the case, the Hearing Examiner found:

(1) That the Transferee is fit, willing, and able to provide the services required under the transfer of License No. B-135;

(2) That the Transferee can and will comply with all provisions of law and the Rules and Regulations of the Commission; and

(3) That the Application is proper and in the public interest.

At the conclusion of the hearing on this Application, the Hearing Examiner announced the above findings and advised counsel for the Applicants that he would recommend that the Commission enter an order granting the Application. Counsel then waived his right to file any comments to the Hearing Examiner's Report, and the customary fifteen (15) day comment period was determined to be unnecessary.

Upon consideration of the Application and the Hearing Examiner's Report, the Commission is of the opinion, and so finds, that the Application is proper and in the public interest and should be granted; accordingly,

IT IS ORDERED:

(1) That the findings of the Hearing Examiner's Report be, and the same are hereby, adopted;

(2) That the transfer of license to broker the transportation of passengers by motor vehicle No. B-135 be, and the same is hereby, granted.

CASE NO. MCS930090
SEPTEMBER 16, 1993

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
THOMAS DIPIETRANTONIO, t/a CHOICE LIMOUSINE
5996 Bennets Creek Drive
Suffolk, Virginia 23435,
Defendant

FINAL JUDGMENT ORDER

The Rule to Show Cause issued against the Defendant, having come on for hearing on September 14, 1993, and the Commission having found the Defendant to be in violation of the law as alleged; accordingly,

IT IS ORDERED:

(1) That the Defendant's Certificate as a limousine carrier, No. LM-154, be, and the same is hereby revoked;

(2) That all registration cards, identification markers, warrants, and decals issued to the Defendant are void and shall be surrendered for cancellation.

CASE NO. MCS930095
AUGUST 24, 1993

APPLICATION OF
ROGER E. BRYANT, t/a STAR VALLEY LIMO

For a certificate as a limousine carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission ("Commission") that Roger E. Bryant t/a Star Valley Limo ("Applicant") filed an application with the Commission requesting a certificate as a limousine carrier pursuant to Title 56 Chapter 12.8 of the Code of Virginia (1950); that the Commission entered an Initial Order on July 1, 1993, directing the Applicant to provide public notice of its application to interested persons and further directing any person desiring to file a written comment on, object to, or request a formal hearing on the application to file such comment, objection, or request for hearing on or before August 19, 1993; that the Applicant has complied with all requirements of public notice as set forth in the Commission's Order of July 1, 1993; that no request for hearing was made or comment filed;

NOW THE COMMISSION, upon consideration of the application, the exhibits thereto, and the report of the Staff, is of the opinion and finds:

(1) That the Applicant is fit, willing, and able to provide the proposed service; and

(2) That a certificate as a limousine carrier should be granted to the Applicant pursuant to § 56-338.114; accordingly,

IT IS ORDERED:

(1) That a certificate as a limousine carrier be and the same is hereby, granted authorizing Applicant to transport passengers by limousine between all points in Virginia;

(2) That the certificate described in paragraph (1) above be issued to the Applicant upon satisfaction of all requirements for operation set by law and the Rules and Regulations of this Commission.

CASE NO. MCS930097
OCTOBER 20, 1993

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
BASHARAT HUSSAIN, t/a B. H. LIMOUSINE SERVICE
4411 Vermont Avenue
Alexandria, Virginia 22304,
Defendant

FINAL JUDGMENT ORDER

The Rule to Show Cause issued against the Defendant, having come on for hearing on October 19, 1993, and the Commission having found the Defendant to be in violation of the law as alleged; accordingly,

IT IS ORDERED:

(1) That the Defendant's Certificate as a limousine carrier, No. LM-84, be, and the same is hereby revoked;

(2) That all registration cards, identification markers, warrants, and decals issued to the Defendant are void and shall be surrendered for cancellation.

CASE NO. MCS930100
OCTOBER 20, 1993

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
JEFFERSON LIMOUSINE SERVICE, INC.
7123 Neuman Street
Springfield, Virginia 22150-4420,
Defendant

FINAL JUDGMENT ORDER

The Rule to Show Cause issued against the Defendant, having come on for hearing on October 19, 1993, and the Commission having found the Defendant to be in violation of the law as alleged; accordingly,

IT IS ORDERED:

(1) That the Defendant's Certificate as a limousine carrier, No. LM-4, be, and the same is hereby revoked;

(2) That all registration cards, identification markers, warrants, and decals issued to the Defendant are void and shall be surrendered for cancellation.

CASE NO. MCS930101
AUGUST 30, 1993

APPLICATION OF
GULFSTREAM LIMOUSINE COMPANY

For a certificate as an executive sedan carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission ("Commission") that Gulfstream Limousine Company ("Applicant") filed an application with the Commission requesting a certificate as an executive sedan carrier pursuant to Title 56 Chapter 12.8 of the Code of Virginia (1950); that the Commission entered an Initial Order on July 6, 1993, directing the Applicant to provide public notice of its application to interested persons and further directing any person desiring to file a written comment on, object to, or request a formal hearing on the application to file such comment, objection, or request for hearing on or before August 21, 1993; that the Applicant has complied with all requirements of public notice as set forth in the Commission's Order of July 6, 1993; that no request for hearing was made or comment filed;

NOW THE COMMISSION, upon consideration of the application, the exhibits thereto, and the report of the Staff, is of the opinion and finds:

(1) That the Applicant is fit, willing, and able to provide the proposed service; and

(2) That a certificate as an executive sedan carrier should be granted to the Applicant pursuant to § 56-338.114; accordingly,

IT IS ORDERED:

(1) That a certificate as an executive sedan carrier be, and the same is hereby, granted, authorizing Applicant to transport passengers by executive sedan between all points in Virginia;

(2) That the certificate described in paragraph (1) above be issued to the Applicant upon satisfaction of all requirements for operation set by law and the Rules and Regulations of this Commission.

CASE NO. MCS930102
SEPTEMBER 14, 1993

APPLICATION OF
NITE LIFE MARINA, INC.

For a certificate as a limousine carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission ("Commission") that Nite Life Marina, Inc. ("Applicant") filed an application with the Commission requesting a certificate as a limousine carrier pursuant to Title 56 Chapter 12.8 of the Code of Virginia (1950); that the Commission entered an Initial Order on July 6, 1993, directing the Applicant to provide public notice of its application to interested persons and further directing any person desiring to file a written comment on, object to, or request a formal hearing on the application to file such comment, objection, or request for hearing on or before August 21, 1993; that the Applicant has complied with all requirements of public notice as set forth in the Commission's Order of July 6, 1993; that no request for hearing was made or comment filed;

NOW THE COMMISSION, upon consideration of the application, the exhibits thereto and the report of the Staff, is of the opinion and finds:

(1) That the Applicant is fit, willing, and able to provide the proposed service; and

(2) That a certificate as a limousine carrier should be granted to the Applicant pursuant to § 56-338.114; accordingly,

IT IS ORDERED:

(1) That a certificate as a limousine carrier be and the same is hereby, granted authorizing Applicant to transport passengers by limousine between all points in Virginia;

(2) That the certificate described in paragraph (1) above be issued to the Applicant upon satisfaction of all requirements for operation set by law and the Rules and Regulations of this Commission.

CASE NO. MCS930103
NOVEMBER 5, 1993

APPLICATION OF
WADSWORTH LIMOUSINE, INC.

For a certificate as a limousine carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission ("Commission") that Wadsworth Limousine, Inc. ("Applicant") filed an application with the Commission requesting a certificate as a limousine carrier pursuant to Title 56 Chapter 12.8 of the Code of Virginia (1950); that the Commission entered an Amending Order September 10, 1993, directing the Applicant to provide public notice of its application to interested persons and further directing any person desiring to file a written comment on, object to, or request a formal hearing on the application to file such comment, objection, or request for hearing on or before November 1, 1993; that the Applicant has complied with all requirements of public notice as set forth in the Commission's Order of September 10, 1993; that no request for hearing was made or comment filed;

NOW THE COMMISSION, upon consideration of the application, the exhibits thereto and the report of the Staff, is of the opinion and finds:

(1) That the Applicant is fit, willing, and able to provide the proposed service; and

(2) That a certificate as a limousine carrier should be granted to the Applicant pursuant to § 56-338.114; accordingly,

IT IS ORDERED:

(1) That a certificate as a limousine carrier be and the same is hereby, granted authorizing Applicant to transport passengers by limousine between all points in Virginia;

(2) That the certificate described in paragraph (1) above be issued to the Applicant upon satisfaction of all requirements for operation set by law and the Rules and Regulations of this Commission.

CASE NO. MCS930104
SEPTEMBER 27, 1993

APPLICATION OF
ROBERT J. SHIFFLETT, t/a DULLES LIMOUSINE SERVICE

For a certificate as a limousine carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission ("Commission") that Robert J. Shifflett, t/a Dulles Limousine Service, ("Applicant") filed an Application with the Commission requesting a certificate as a limousine carrier pursuant to Title 56 Chapter 12.8 of the Code of Virginia (1950); that the Commission entered an Initial Order on July 6, 1993, directing the Applicant to provide public notice of its Application to interested persons and further directing any person desiring to file a written comment on, object to, or request a formal hearing on the Application to file such comment, objection, or request for hearing on or before August 21, 1993; that the Applicant has complied with all requirements of public notice as set forth in the Commission's Order of July 6, 1993; that no request for hearing was made or comment filed;

NOW THE COMMISSION, upon consideration of the Application, the exhibits thereto, and the report of the Staff, is of the opinion and finds:

(1) That the Applicant is fit, willing, and able to provide the proposed service; and

(2) That a certificate as a limousine carrier should be granted to the Applicant pursuant to § 56-338.114; accordingly,

IT IS ORDERED:

(1) That a certificate as a limousine carrier be and the same is hereby, granted authorizing Applicant to transport passengers by limousine between all points in Virginia;

(2) That the certificate described in paragraph (1) above be issued to the Applicant upon satisfaction of all requirements for operation set by law and the Rules and Regulations of this Commission.

CASE NO. MCS930105
SEPTEMBER 13, 1993

APPLICATION OF
SECURITY PLUS, INC.

For a certificate as a limousine carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission ("Commission") that Security Plus, Inc. ("Applicant") filed an application with the Commission requesting a certificate as a limousine carrier pursuant to Title 56 Chapter 12.8 of the Code of Virginia (1950); that the Commission entered an Initial Order on July 6, 1993, directing the Applicant to provide public notice of its application to interested persons and further directing any person desiring to file a written comment on, object to, or request a formal hearing on the application to file such comment, objection, or request for hearing on or before August 21, 1993; that the Applicant has complied with all requirements of public notice as set forth in the Commission's Order of July 6, 1993; that no request for hearing was made or comment filed;

NOW THE COMMISSION, upon consideration of the application, the exhibits thereto and the report of the Staff, is of the opinion and finds:

(1) That the Applicant is fit, willing, and able to provide the proposed service; and

(2) That a certificate as a limousine carrier should be granted to the Applicant pursuant to § 56-338.114; accordingly,

IT IS ORDERED:

(1) That a certificate as a limousine carrier be and the same is hereby, granted authorizing Applicant to transport passengers by limousine between all points in Virginia;

(2) That the certificate described in paragraph (1) above be issued to the Applicant upon satisfaction of all requirements for operation set by law and the Rules and Regulations of this Commission.

CASE NO. MCS930107
NOVEMBER 5, 1993

APPLICATION OF
CALVIN E. WALKER, SR.

For a certificate as a limousine carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission ("Commission") that Calvin E. Walker, Sr. ("Applicant") filed an application with the Commission requesting a certificate as a limousine carrier pursuant to Title 56 Chapter 12.8 of the Code of Virginia (1950); that the Commission entered an Amending Order on September 10, 1993, directing the Applicant to provide public notice of its application to interested persons and further directing any person desiring to file a written comment on, object to, or request a formal hearing on the application to file such comment, objection, or request for hearing on or before October 28, 1993; that the Applicant has complied with all requirements of public notice as set forth in the Commission's Order of September 10, 1993; that no request for hearing was made or comment filed;

NOW THE COMMISSION, upon consideration of the application, the exhibits thereto and the report of the Staff, is of the opinion and finds:

(1) That the Applicant is fit, willing, and able to provide the proposed service; and

(2) That a certificate as a limousine carrier should be granted to the Applicant pursuant to § 56-338.114; accordingly,

IT IS ORDERED:

(1) That a certificate as a limousine carrier be and the same is hereby, granted authorizing Applicant to transport passengers by limousine between all points in Virginia;

(2) That the certificate described in paragraph (1) above be issued to the Applicant upon satisfaction of all requirements for operation set by law and the Rules and Regulations of this Commission.

CASE NO. MCS930108
OCTOBER 4, 1993

APPLICATION OF
AZIZ RADOUANI

For a certificate as an executive sedan carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission ("Commission") that Aziz Radouani ("Applicant") filed an Application with the Commission requesting a certificate as an executive sedan carrier pursuant to Title 56 Chapter 12.8 of the Code of Virginia (1950); that the Commission entered an Initial Order on July 15, 1993, directing the Applicant to provide public notice of its Application to interested persons and further directing any person desiring to file a written comment on, object to, or request a formal hearing on the Application to file such comment, objection, or request for hearing on or before September 4, 1993; that the Applicant has complied with all requirements of public notice as set forth in the Commission's Order of July 15, 1993; that no request for hearing was made or comment filed;

NOW THE COMMISSION, upon consideration of the Application, the exhibits thereto, and the report of the Staff, is of the opinion and finds:

(1) That the Applicant is fit, willing, and able to provide the proposed service; and

(2) That a certificate as an executive sedan carrier should be granted to the Applicant pursuant to § 56-338.114; accordingly,

IT IS ORDERED:

(1) That a certificate as an executive sedan carrier be, and the same is hereby, granted, authorizing Applicant to transport passengers by executive sedan between all points in Virginia;

(2) That the certificate described in paragraph (1) above be issued to the Applicant upon satisfaction of all requirements for operation set by law and the Rules and Regulations of this Commission.

CASE NO. MCS930111
SEPTEMBER 10, 1993

APPLICATION OF
JAMES RIVER BUS LINES

For a certificate of public convenience and necessity as a common carrier of passengers by motor vehicle over irregular routes

FINAL ORDER

ON ANOTHER DAY the Commission ordered that a public hearing be held before a hearing examiner on September 1, 1993, to receive evidence on this application for a certificate of public convenience and necessity as a common carrier of passengers by motor vehicle between the geographic areas of Petersburg and Portsmouth, Virginia via state Route 460.

ON THE APPOINTED DAY the hearing was held before Senior Hearing Examiner, Russell W. Cunningham. Calvin F. Major, Esquire, appeared as counsel for the Applicant. Graham G. Ludwig, Jr., Esquire, appeared as counsel to the Commission. No Protestants or interveners appeared or participated at the hearing.

After considering the evidence presented in the case, the Hearing Examiner found that:

(1) There is existing public need for the proposed service of the Applicant;

(2) The Applicant is fit, willing, and able to provide the service requested; and

(3) The application is justified by the public convenience and necessity.

At the conclusion of the hearing on this application, the Hearing Examiner announced the above findings and advised counsel for the Applicant that he would recommend that the Commission enter an order granting the application. Counsel then waived his right to file any comments to the Hearing Examiner's Report, and the customary fifteen (15) day comment period was deemed not to be necessary.

Upon consideration of the application and the Hearing Examiner's Report, the Commission is of the opinion, and so finds, that the application is proper and in the public interest and should be granted; accordingly,

IT IS ORDERED:

(1) That the findings of the Hearing Examiners' Report be, and the same are hereby, adopted; and

(2) That a certificate of public convenience and necessity as a common carrier of passengers by motor vehicle between the geographic areas of Petersburg and Portsmouth, Virginia via state Route 460 be, and the same is hereby, granted.

CASE NO. MCS930111
OCTOBER 19, 1993

APPLICATION OF
JAMES RIVER BUS LINES

For a certificate of public convenience and necessity as a common carrier of passengers by motor vehicle

CORRECTING ORDER

IT APPEARING to the State Corporation Commission that the Final Order entered herein on September 10, 1993, was in error as to the caption of the case wherein, it was stated that the Application was for certificate of convenience and necessity as a common carrier of passengers over irregular routes, when in fact the Application was for a certificate of public convenience and necessity as a common carrier of passengers by motor vehicle over regular routes, which authority was granted by said order; accordingly,

IT IS ORDERED:

(1) That the Commission's order of September 10, 1993, be and the same is hereby, amended to reflect within the heading that the Application was for a certificate of public convenience and necessity as a common carrier of passengers by motor vehicle and not as a common carrier of passengers by motor vehicle over irregular routes.

CASE NO. MCS930112
OCTOBER 20, 1993

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
HARTEC CORPORATION
817 West Broad Street
Richmond, Virginia 23220,
Defendant

FINAL JUDGMENT ORDER

The Rule to Show Cause issued against the Defendant, having come on for hearing on October 19, 1993, and the Commission having found the Defendant to be in violation of the law as alleged; accordingly,

IT IS ORDERED:

(1) That the Defendant's Certificate as a limousine carrier, No. LM-164, be, and the same is hereby revoked;

(2) That all registration cards, identification markers, warrants, and decals issued to the Defendant are void and shall be surrendered for cancellation.

CASE NO. MCS930115
DECEMBER 14, 1993

APPLICATION OF
JOSEPH H. AYLOR, JR.

For a certificate as an executive sedan carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission ("Commission") that Joseph H. Aylor, Jr., ("Applicant") filed an Application with the Commission requesting a certificate as an executive sedan carrier pursuant to Title 56 Chapter 12.8 of the Code of Virginia (1950); that the Commission entered an Amending Order on September 22, 1993, directing the Applicant to provide public notice of its Application to interested persons and further directing any person desiring to file a written comment on, object to, or request a formal hearing on the Application to file such

comment, objection, or request for hearing on or before November 10, 1993; that the Applicant has complied with all requirements of public notice as set forth in the Commission's Order of September 22, 1993; that no request for hearing was made or comment filed;

NOW THE COMMISSION, upon consideration of the Application, the exhibits thereto, and the report of the Staff, is of the opinion and finds:

(1) That the Applicant is fit, willing, and able to provide the proposed service; and

(2) That a certificate as an executive sedan carrier should be granted to the Applicant pursuant to § 56-338.114; accordingly,

IT IS ORDERED:

(1) That a certificate as an executive sedan carrier be, and the same is hereby, granted, authorizing Applicant to transport passengers by executive sedan between all points in Virginia;

(2) That the certificate described in paragraph (1) above be issued to the Applicant upon satisfaction of all requirements for operation set by law and the Rules and Regulations of this Commission.

CASE NO. MCS930116
SEPTEMBER 15, 1993

APPLICATION OF
FISSEHA GEDA

For a certificate as a limousine carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission ("Commission") that Fisseha Geda ("Applicant") filed an application with the Commission requesting a certificate as a limousine carrier pursuant to Title 56 Chapter 12.8 of the Code of Virginia (1950); that the Commission entered an Initial Order on July 28, 1993, directing the Applicant to provide public notice of its application to interested persons and further directing any person desiring to file a written comment on, object to, or request a formal hearing on the application to file such comment, objection, or request for hearing on or before September 13, 1993; that the Applicant has complied with all requirements of public notice as set forth in the Commission's Order of July 28, 1993; that no request for hearing was made or comment filed;

NOW THE COMMISSION, upon consideration of the application, the exhibits thereto and the report of the Staff, is of the opinion and finds:

(1) That the Applicant is fit, willing, and able to provide the proposed service; and

(2) That a certificate as a limousine carrier should be granted to the Applicant pursuant to § 56-338.114; accordingly,

IT IS ORDERED:

(1) That a certificate as a limousine carrier be and the same is hereby, granted authorizing Applicant to transport passengers by limousine between all points in Virginia;

(2) That the certificate described in paragraph (1) above be issued to the Applicant upon satisfaction of all requirements for operation set by law and the Rules and Regulations of this Commission.

CASE NO. MCS930117
OCTOBER 13, 1993

APPLICATION OF
TYRONE POWELL, t/a EXCEL LIMOUSINE SERVICE

For a certificate as a limousine carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission ("Commission") that Tyrone Powell ("Applicant") filed an Application with the Commission requesting a certificate as a limousine carrier pursuant to Title 56 Chapter 12.8 of the Code of Virginia (1950); that the Commission entered an Initial Order on August 17, 1993, directing the Applicant to provide public notice of its Application to interested persons and further directing any person desiring to file a written comment on, object to, or request a formal hearing on the Application to file such comment, objectio or request for hearing on or before October 6, 1993; that the Applicant has complied with all requirements of public notice as set forth in th Commission's Order of August 17, 1993; that no request for hearing was made or comment filed;

NOW THE COMMISSION, upon consideration of the Application, the exhibits thereto, and the report of the Staff, is of the opinion and finds:

(1) That the Applicant is fit, willing, and able to provide the proposed service; and

(2) That a certificate as a limousine carrier should be granted to the Applicant pursuant to § 56-338.114; accordingly,

IT IS ORDERED:

(1) That a certificate as a limousine carrier be and the same is hereby, granted authorizing Applicant to transport passengers by limousine between all points in Virginia;

(2) That the certificate described in paragraph (1) above be issued to the Applicant upon satisfaction of all requirements for operation set by law and the Rules and Regulations of this Commission.

CASE NO. MCS930120
DECEMBER 1, 1993

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
KELLEY A. CARLISLE
t/a BLUE CHIP LIMOUSINE
629 Sirine Avenue
Virginia Beach, Virginia 23462
Defendant

FINAL JUDGMENT ORDER

The Rule to Show Cause issued against the Defendant, having come on for hearing on November 23, 1993, and the Commission having found the Defendant to be in violation of the law as alleged; accordingly,

IT IS ORDERED:

(1) That the Defendant's Certificate as a limousine carrier, No. LM-158, be, and the same is hereby revoked;

(2) That all registration cards, identification markers, warrants, and decals issued to the Defendant are void and shall be surrendered for cancellation.

CASE NO. MCS930128
OCTOBER 28, 1993

APPLICATION OF
ADVENTURE CRUISES, INC.

For a certificate of public convenience and necessity as a sight-seeing and special or charter party carrier by boat

FINAL ORDER

ON ANOTHER DAY the Commission ordered that a public hearing be held before a Hearing Examiner on October 7, 1993, to receive evidence on this application for a certificate of public convenience and necessity as a sight-seeing and special or charter party carrier by boat. Applicant seeks authority to provide service as shown on Appendix A attached hereto.

ON THE APPOINTED DAY the hearing was held before Hearing Examiner Howard P. Anderson. Calvin F. Major,Esquire, appeared as counsel for Applicant. Graham G. Ludwig, Jr., Esquire, appeared as counsel to the Commission. No interveners participated.

At the conclusion of the hearing, the Hearing Examiner announced his findings from the bench and advised counsel of record that he would recommend that the Commission enter an order granting the application. The fifteen day (15) comment period has passed and no comments were filed.

The Hearing Examiner made the following findings:

(1) The Applicant is fit, willing, and able to render adequate and reliable service as a sight-seeing and special or charter party carrier by boat; and

(2) The application is warranted by the public convenience and necessity.

UPON CONSIDERATION of the application, the Hearing Examiner's Report, and the transcript, the Commission is of the opinion and finds that the application is justified by public convenience and necessity and should be granted; accordingly,

IT IS ORDERED:

(1) That the Hearing Examiner's findings be, and the same are hereby, adopted in their entirety;

(2) That Adventure Cruises, Inc. is granted a certificate of public convenience and necessity as a sight-seeing and special or charter party carrier by boat as shown on Appendix A attached hereto.

NOTE: A copy of Appendix A 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. MCS930129
NOVEMBER 4, 1993

APPLICATION OF
MURPHY'S SERVICES, LTD.

For a certificate as a limousine carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission ("Commission") that Murphy's Services, Ltd. ("Applicant") filed an application with the Commission requesting a certificate as a limousine carrier pursuant to Title 56 Chapter 12.8 of the Code of Virginia (1950); that the Commission entered an Initial Order on September 7, 1993, directing the Applicant to provide public notice of its application to interested persons and further directing any person desiring to file a written comment on, object to, or request a formal hearing on the application to file such comment, objection, or request for hearing on or before October 21, 1993; that the Applicant has complied with all requirements of public notice as set forth in the Commission's Order of September 7, 1993; that no request for hearing was made or comment filed;

NOW THE COMMISSION, upon consideration of the application, the exhibits thereto and the report of the Staff, is of the opinion and finds:

(1) That the Applicant is fit, willing, and able to provide the proposed service; and

(2) That a certificate as a limousine carrier should be granted to the Applicant pursuant to § 56-338.114; accordingly,

IT IS ORDERED:

(1) That a certificate as a limousine carrier be and the same is hereby, granted authorizing Applicant to transport passengers by limousine between all points in Virginia;

(2) That the certificate described in paragraph (1) above be issued to the Applicant upon satisfaction of all requirements for operation set by law and the Rules and Regulations of this Commission.

CASE NO. MCS930131
NOVEMBER 19, 1993

APPLICATION OF
JEFFERY M. FIELD, t/a ACE LIMOUSINE SERVICE

For a certificate as an executive sedan carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission ("Commission") that Jeffery M. Field, t/a Ace Limousine Service ("Applicant") filed an Application with the Commission requesting a certificate as an executive sedan carrier pursuant to Title 56 Chapter 12.8 of the Code of Virginia (1950); that the Commission entered an Initial Order on September 10, 1993, directing the Applicant to provide public notice of its Application to interested persons and further directing any person desiring to file a written comment on, object to, or request a formal hearing on the Application to file such comment, objection, or request for hearing on or before November 1, 1993; that the Applicant has complied with all requirements of public notice as set forth in the Commission's Order of September 10, 1993; that no request for hearing was made or comment filed;

NOW THE COMMISSION, upon consideration of the Application, the exhibits thereto, and the report of the Staff, is of the opinion and finds:

(1) That the Applicant is fit, willing, and able to provide the proposed service; and

(2) That a certificate as an executive sedan carrier should be granted to the Applicant pursuant to § 56-338.114; accordingly,

IT IS ORDERED:

(1) That a certificate as an executive sedan carrier be, and the same is hereby, granted, authorizing Applicant to transport passengers by executive sedan between all points in Virginia;

(2) That the certificate described in paragraph (1) above be issued to the Applicant upon satisfaction of all requirements for operation set by law and the Rules and Regulations of this Commission.

CASE NO. MCS930132
NOVEMBER 5, 1993

APPLICATION OF
ULTIMATE LIMOUSINE, INC.

For a certificate as a limousine carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission ("Commission") that Ultimate Limousine, Inc. ("Applicant") filed an application with the Commission requesting a certificate as a limousine carrier pursuant to Title 56 Chapter 12.8 of the Code of Virginia (1950); that the Commission entered an Initial Order on September 14, 1993, directing the Applicant to provide public notice of its application to interested persons and further directing any person desiring to file a written comment on, object to, or request a formal hearing on the application to file such comment, objection, or request for hearing on or before November 2, 1993; that the Applicant has complied with all requirements of public notice as set forth in the Commission's Order of September 14, 1993, that no request for hearing was made or comment filed;

NOW THE COMMISSION, upon consideration of the application, the exhibits thereto and the report of the Staff, is of the opinion and finds:

(1) That the Applicant is fit, willing, and able to provide the proposed service; and

(2) That a certificate as a limousine carrier should be granted to the Applicant pursuant to § 56-338.114; accordingly,

IT IS ORDERED:

(1) That a certificate as a limousine carrier be and the same is hereby, granted authorizing Applicant to transport passengers by limousine between all points in Virginia;

(2) That the certificate described in paragraph (1) above be issued to the Applicant upon satisfaction of all requirements for operation set by law and the Rules and Regulations of this Commission.

CASE NO. MCS930133
NOVEMBER 5, 1993

APPLICATION OF
ULTIMATE LIMOUSINE, INC.

For a certificate as an executive sedan carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission ("Commission") that Ultimate Limousine, Inc. ("Applicant") filed an application with the Commission requesting a certificate as an executive sedan carrier pursuant to Title 56 Chapter 12.8 of the Code of Virginia (1950); that the Commission entered an Initial Order on September 14, 1993, directing the Applicant to provide public notice of its application to interested persons and further directing any person desiring to file a written comment on, object to, or request a formal hearing on the application to file such comment, objection, or request for hearing on or before November 2, 1993; that the Applicant has complied with all requirements of public notice as set forth in the Commission's Order of September 14, 1993; that no request for hearing was made or comment filed;

NOW THE COMMISSION, upon consideration of the application, the exhibits thereto, and the report of the Staff, is of the opinion and finds:

(1) That the Applicant is fit, willing, and able to provide the proposed service; and

(2) That a certificate as an executive sedan carrier should be granted to the Applicant pursuant to § 56-338.114; accordingly,

IT IS ORDERED:

(1) That a certificate as an executive sedan carrier be, and the same is hereby, granted, authorizing Applicant to transport passengers by executive sedan between all points in Virginia;

(2) That the certificate described in paragraph (1) above be issued to the Applicant upon satisfaction of all requirements for operation set by law and the Rules and Regulations of this Commission.

CASE NO. MCS930135
NOVEMBER 30, 1993

APPLICATION OF
SILVER BULLET SEDANS, INC.

For a certificate as an executive sedan carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission ("Commission") that Silver Bullet Sedans, Inc. ("Applicant") filed an Application with the Commission requesting a certificate as an executive sedan carrier pursuant to Title 56 Chapter 12.8 of the Code of Virginia (1950); that the Commission entered an Initial Order on September 29, 1993, directing the Applicant to provide public notice of its Application to interested persons and further directing any person desiring to file a written comment on, object to, or request a formal hearing on the Application to file such comment, objection, or request for hearing on or before November 18, 1993; that the Applicant has complied with all requirements of public notice as set forth in the Commission's Order of September 29, 1993; that no request for hearing was made or comment filed;

NOW THE COMMISSION, upon consideration of the Application, the exhibits thereto, and the report of the Staff, is of the opinion and finds:

(1) That the Applicant is fit, willing, and able to provide the proposed service; and

(2) That a certificate as an executive sedan carrier should be granted to the Applicant pursuant to § 56-338.114; accordingly,

IT IS ORDERED:

(1) That a certificate as an executive sedan carrier be, and the same is hereby, granted, authorizing Applicant to transport passengers by executive sedan between all points in Virginia;

(2) That the certificate described in paragraph (1) above be issued to the Applicant upon satisfaction of all requirements for operation set by law and the Rules and Regulations of this Commission.

CASE NO. MCS930138
DECEMBER 10, 1993

APPLICATION OF
C & T TRANSPORTATION, INC.

For a certificate of public convenience and necessity as a common carrier of passengers by motor vehicle over irregular routes

FINAL ORDER

ON ANOTHER DAY the Commission ordered that a public hearing be held before a hearing examiner on November 15, 1993, to receive evidence on this application for a certificate of public convenience and necessity as a common carrier of passengers by motor vehicle over irregular routes within the geographic areas of the Cities of Virginia Beach, Chesapeake, Suffolk, Norfolk, Portsmouth, Hampton, Newport News, and Poquoson restricted to the use of vehicles designed exclusively for handicapped, wheelchair or gurney passengers.

ON THE APPOINTED DAY the hearing was held before Hearing Examiner Deborah V. Ellenberg. Calvin F. Major, Esquire appeared as counsel for the Applicant. Graham G. Ludwig, Esquire, appeared as counsel to the Commission. Hamill D. Jones, Jr., Esquire w counsel for Protestant Groome Transportation, Inc. No interveners appeared or participated at the hearing.

Upon commencement of the hearing, the Applicant further amended its application to restrict the authority applied for to the transportation of physically or mentally disabled persons requiring wheelchair or gurney transportation and his/her attendant. At which time Groome Transportation withdrew its protest and entered a statement of support of the amended application. After considering the evidence presented in the case, the Hearing Examiner found that:

(1) There is existing public need for the proposed service of the Applicant;

(2) The Applicant is fit, willing, and able to provide the service requested; and

(3) The application is justified by the public convenience and necessity.

At the conclusion of the hearing on this application, the Hearing Examiner announced the above findings and advised counsel for the Applicant that he would recommend that the Commission enter an order granting the application. Counsel then waived his right to file any comments to the Hearing Examiner's Report, and the customary fifteen (15) day comment period was deemed not to be necessary.

Upon consideration of the application and the Hearing Examiner's Report, the Commission is of the opinion, and so finds, that the application is proper and in the public interest and should be granted; accordingly,

IT IS ORDERED:

(1) That the findings of the Hearing Examiners' Report be, and the same are hereby, adopted; and

(2) That a certificate of public convenience and necessity as a common carrier of passengers by motor vehicle over irregular routes in the geographic areas of the Cities of Virginia Beach, Chesapeake, Suffolk, Norfolk, Portsmouth, Hampton, Newport News, and Poquoson, restricted to the use of vehicles designed exclusively for handicapped, wheelchair, or gurney passengers, and to the transportation of physically or mentally disabled persons requiring wheelchair or gurney transportation and his/her attendant be, and the same is hereby, granted.

CASE NO. MCS930139
DECEMBER 10, 1993

APPLICATION OF
PAUL A. DAVIS, JR.

For a certificate as an executive sedan carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission ("Commission") that Paul A. Davis, Jr. ("Applicant") filed an Application with the Commission requesting a certificate as an executive sedan carrier pursuant to Title 56 Chapter 12.8 of the Code of Virginia (1950); that the Commission entered an Initial Order on September 29, 1993, directing the Applicant to provide public notice of its Application to interested persons and further directing any person desiring to file a written comment on, object to, or request a formal hearing on the Application to file such comment, objection, or request for hearing on or before November 18, 1993; that the Applicant has complied with all requirements of public notice as set forth in the Commission's Order of September 29, 1993; that no request for hearing was made or comment filed;

NOW THE COMMISSION, upon consideration of the Application, the exhibits thereto, and the report of the Staff, is of the opinion and finds:

(1) That the Applicant is fit, willing, and able to provide the proposed service; and

(2) That a certificate as an executive sedan carrier should be granted to the Applicant pursuant to § 56-338.114; accordingly,

IT IS ORDERED:

(1) That a certificate as an executive sedan carrier be, and the same is hereby, granted, authorizing Applicant to transport passengers by executive sedan between all points in Virginia;

(2) That the certificate described in paragraph (1) above be issued to the Applicant upon satisfaction of all requirements for operation set by law and the Rules and Regulations of this Commission.

CASE NO. MCS930140
DECEMBER 8, 1993

APPLICATION OF
MARK B. LINEBAUGH
t/a BRITISH JAGUAR SEDAN SERVICE

For a certificate as an executive sedan carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission ("Commission") that Mark B. Linebaugh, t/a British Jaguar Sedan Service ("Applicant") filed an Application with the Commission requesting a certificate as an executive sedan carrier pursuant to Title 56 Chapter 12.8 of the Code of Virginia (1950); that the Commission entered an Initial Order on September 29, 1993, directing the Applicant to provide public notice of its Application to interested persons and further directing any person desiring to file a written comment on, object to, or request a formal hearing on the Application to file such comment, objection, or request for hearing on or before November 18, 1993; that the Applicant has complied with all requirements of public notice as set forth in the Commission's Order of September 29, 1993; that no request for hearing was made or comment filed;

NOW THE COMMISSION, upon consideration of the Application, the exhibits thereto, and the report of the Staff, is of the opinion and finds:

(1) That the Applicant is fit, willing, and able to provide the proposed service; and

(2) That a certificate as an executive sedan carrier should be granted to the Applicant pursuant to § 56-338.114; accordingly,

IT IS ORDERED:

(1) That a certificate as an executive sedan carrier be, and the same is hereby, granted, authorizing Applicant to transport passengers by executive sedan between all points in Virginia;

(2) That the certificate described in paragraph (1) above be issued to the Applicant upon satisfaction of all requirements for operation set by law and the Rules and Regulations of this Commission.

CASE NO. MCS930141
NOVEMBER 30, 1993

APPLICATION OF
THOMAS A. GOAD

For a certificate as an executive sedan carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission ("Commission") that Thomas A. Goad ("Applicant") filed an Application with the Commission requesting a certificate as an executive sedan carrier pursuant to Title 56 Chapter 12.8 of the Code of Virginia (1950); that the Commission entered an Initial Order on September 29, 1993, directing the Applicant to provide public notice of its Application to interested persons and further directing any person desiring to file a written comment on, object to, or request a formal hearing on the Application to file such comment, objection, or request for hearing on or before November 18, 1993; that the Applicant has complied with all requirements of public notice as set forth in the Commission's Order of September 29, 1993; that no request for hearing was made or comment filed;

NOW THE COMMISSION, upon consideration of the Application, the exhibits thereto, and the report of the Staff, is of the opinion and finds:

(1) That the Applicant is fit, willing, and able to provide the proposed service; and

(2) That a certificate as an executive sedan carrier should be granted to the Applicant pursuant to § 56-338.114; accordingly,

IT IS ORDERED:

(1) That a certificate as an executive sedan carrier be, and the same is hereby, granted, authorizing Applicant to transport passengers by executive sedan between all points in Virginia;

(2) That the certificate described in paragraph (1) above be issued to the Applicant upon satisfaction of all requirements for operation set by law and the Rules and Regulations of this Commission.

CASE NO. MCS930144
DECEMBER 8, 1993

APPLICATION OF
CELEBRITY LIMOUSINE OF LEE COUNTY, INC.
1503 West Morgan Avenue
Pennington Gap, Virginia 24277

For a certificate as a limousine carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission ("Commission") that Celebrity Limousine of Lee County, Inc. ("Applicant") filed an Application with the Commission requesting a certificate as a limousine carrier pursuant to Title 56 Chapter 12.8 of the Code of Virginia (1950); that the Commission entered an Initial Order on October 8, 1993, directing the Applicant to provide public notice of its Application to interested persons and further directing any person desiring to file a written comment on, object to, or request a formal hearing on the Application to file such comment, objection, or request for hearing on or before November 29, 1993; that the Applicant has complied with all requirements of public notice as set forth in the Commission's Order of October 8, 1993; that no request for hearing was made or comment filed;

NOW THE COMMISSION, upon consideration of the Application, the exhibits thereto, and the report of the Staff, is of the opinion and finds:

(1) That the Applicant is fit, willing, and able to provide the proposed service; and

(2) That a certificate as a limousine carrier should be granted to the Applicant pursuant to § 56-338.114; accordingly,

IT IS ORDERED:

(1) That a certificate as a limousine carrier be and the same is hereby, granted authorizing Applicant to transport passengers by limousine between all points in Virginia;

(2) That the certificate described in paragraph (1) above be issued to the Applicant upon satisfaction of all requirements for operation set by law and the Rules and Regulations of this Commission.

CASE NO. MCS30147
DECEMBER 1, 1993

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
THREE G ENTERPRISES, INC.
P.O. Box 25915
Richmond, Virginia 23260,
Defendant

FINAL JUDGMENT ORDER

The Rule to Show Cause issued against the Defendant, having come on for hearing on November 23, 1993, and the Commission having found the Defendant to be in violation of the law as alleged; accordingly,

IT IS ORDERED:

(1) That the Defendant's Certificate as a limousine carrier, No. XS-57, be, and the same is hereby revoked;

(2) That all registration cards, identification markers, warrants, and decals issued to the Defendant are void and shall be surrendered for cancellation.

CASE NO. MCS930151
DECEMBER 17, 1993

APPLICATION OF
LEO JAY STRICKLER

For a certificate as a limousine carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission ("Commission") that Leo Jay Strickler ("Applicant") filed an Application with the Commission requesting a certificate as a limousine carrier pursuant to Title 56 Chapter 12.8 of the Code of Virginia (1950); that the Commission entered an Initial Order on October 28, 1993, directing the Applicant to provide public notice of its Application to interested persons and further directing any person desiring to file a written comment on, object to, or request a formal hearing on the Application to file such comment, objection, or request for hearing on or before December 15, 1993; that the Applicant has complied with all requirements of public notice as set forth in the Commission's Order of October 28, 1993; that no request for hearing was made or comment filed;

NOW THE COMMISSION, upon consideration of the Application, the exhibits thereto, and the report of the Staff, is of the opinion and finds:

(1) That the Applicant is fit, willing, and able to provide the proposed service; and

(2) That a certificate as a limousine carrier should be granted to the Applicant pursuant to § 56-338.114; accordingly,

IT IS ORDERED:

(1) That a certificate as a limousine carrier be and the same is hereby, granted authorizing Applicant to transport passengers by limousine between all points in Virginia;

(2) That the certificate described in paragraph (1) above be issued to the Applicant upon satisfaction of all requirements for operation set by law and the Rules and Regulations of this Commission.

CASE NO. MCS930152
DECEMBER 14, 1993

APPLICATION OF
SPECTRUM OF RICHMOND, INC.

For a license to broker the transportation of passengers by motor vehicles

FINAL ORDER

ON ANOTHER DAY the Commission ordered that a public hearing be held before a Hearing Examiner on November 30, 1993, to receive evidence on this application of Spectrum of Richmond, Inc. for a license to broker the transportation of passengers by motor vehicle to all points in Virginia from all points in Virginia;

ON THE APPOINTED DAY the hearing was held before Hearing Examiner Howard Anderson. H. Franklin Taylor, III, Esquire appeared as counsel for the Applicant. Graham G. Ludwig, Jr., Esquire appeared as counsel to the Commission. No Protestants or interveners appeared or participated at the hearing.

After considering the evidence presented in the case, the Hearing Examiner found that:

(1) The Applicant is fit, willing, and able to provide the service requested;

(2) The Applicant can and will comply with all provisions of law and the Rules and Regulations of the Commission; and

(3) The application is proper and in the public interest.

At the conclusion of the hearing on this application, the Hearing Examiner announced the above findings and advised counsel for the Applicant that he would recommend that the Commission enter an order granting the application. Counsel then waived his right to file any comments to the Hearing Examiner's Report and the customary fifteen (15) day comment period was determined not to be necessary.

Upon consideration of the application and the Hearing Examiner's Report, the Commission is of the opinion and so finds, that the application is proper and in the public interest and should be granted; accordingly,

IT IS ORDERED:

(1) That the findings of the Hearing Examiner's Report be, and the same are hereby, adopted;

(2) That a license to broker the transportation of passengers by motor vehicle to all points in Virginia from all points in Virginia be, and the same is hereby, granted.

CASE NO. MCS930153
DECEMBER 1, 1993

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
A 1ST CLASS LIMOUSINE, INC.
11915 Lilita Lane
Clifton, Virginia 22024,
Defendant

FINAL JUDGMENT ORDER

The Rule to Show Cause issued against the Defendant, having come on for hearing on November 23, 1993, and the Commission having found the Defendant to be in violation of the law as alleged; accordingly,

IT IS ORDERED:

(1) That the Defendant's Certificate as a limousine carrier, No. LM-53, be, and the same is hereby revoked;

(2) That all registration cards, identification markers, warrants, and decals issued to the Defendant are void and shall be surrendered for cancellation.

CASE NO. MCS930154
NOVEMBER 30, 1993

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
EXCLUSIVE LIMOUSINE SERVICE, INC.
7621 Penn Belt Drive
Forestville, Maryland 20747,
Defendant

FINAL JUDGMENT ORDER

The Rule to Show Cause issued against the Defendant, having come on for hearing on November 23, 1993, and the Commission having found the Defendant to be in violation of the law as alleged; accordingly,

IT IS ORDERED:

(1) That the Defendant's Certificate as a limousine carrier, No. LM-192, be, and the same is hereby revoked;

(2) That all registration cards, identification markers, warrants, and decals issued to the Defendant are void and shall be surrendered for cancellation.

DIVISION OF PUBLIC SERVICE TAXATION

CASE NO. PST920002
FEBRUARY 24, 1993

PETITION OF
MCI TELECOMMUNICATIONS CORPORATION
and
MCI TELECOMMUNICATIONS CORPORATION OF VIRGINIA

For a declaratory judgment - Tax Year 1988

DISMISSAL ORDER

On April 9, 1992, the Commission docketed this petition of MCI Telecommunications Corporation and MCI Telecommunications Corporation of Virginia (collectively "MCI") for a declaratory judgment on the proper taxpayer for certain leased equipment located in Fairfax County in tax year 1988. We also directed MCI to serve a copy of its petition on Fairfax County and authorized the filing of an answer. MCI filed on May 4, 1992, a proof of service of a copy of its petition on Fairfax County. Accordingly, the Commission finds that MCI gave proper notice of its petition. As authorized by our order, Fairfax County filed an answer to MCI's petition on May 22, 1992. The Commission finds that Fairfax County timely filed its answer and is a proper party to this proceeding.

MCI and Fairfax County jointly move to dismiss the petition for declaratory judgment on February 22, 1993. According to their Joint Motion to Dismiss, MCI and Fairfax County have reached agreement on issues raised in the petition, and they mutually agree that the petition should be dismissed with prejudice.

Upon consideration, the Commission finds that the joint motion should be granted. Accordingly,

IT IS ORDERED that the petition for declaratory judgment be dismissed with prejudice and that this case be dismissed from the Commission's docket of proceedings and the papers herein be passed to the files for ended cases.

CASE NO. PST920003
APRIL 21, 1993

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
SHAWNEE LAND UTILITIES COMPANY, INC.,
Defendant

DISMISSAL ORDER

On July 1, 1992, the Commission rendered judgment against Shawnee Land Utilities Company, Inc. for $200 for failure to file on time its tax year 1992 annual report for taxation, but suspended $150 of the judgment on condition that the 1993 annual report be timely filed. It appears to the Commission that Shawnee Land Utilities Company, Inc. timely paid $50 of the judgment. It further appears to the Commission that Shawnee Land Utilities Company, Inc. timely filed for tax year 1993 its annual report for taxation.

Upon consideration of the paying of a portion of the judgment and the timely filing of the annual report, the Commission finds that the suspended amount of the judgment should be vacated. Accordingly,

IT IS ORDERED that the suspended $150 balance of the judgment be VACATED and that this case be dismissed from the docket of active proceedings.

CASE NO. PST920005
APRIL 21, 1993

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
T-L WATER CO.,
Defendant

DISMISSAL ORDER

On July 1, 1992, the Commission rendered judgment against T-L Water Co. for $200 for failure to file on time its tax year 1992 annual report for taxation, but suspended $150 of the judgment on condition that the 1993 annual report be timely filed. It appears to the Commission that T-L Water Co. timely paid $50 of the judgment. It further appears to the Commission that T-L Water Co. timely filed for tax year 1993 its annual report for taxation.

Upon consideration of the paying of a portion of the judgment and the timely filing of the annual report, the Commission finds that the suspended amount of the judgment should be vacated. Accordingly,

IT IS ORDERED that the suspended $150 balance of the judgment be VACATED and that this case be dismissed from the docket of active proceedings.

CASE NO. PST920005
APRIL 28, 1993

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
T-L WATER CO.

CORRECTING ORDER

Upon review of its records, the Commission finds that its order of April 21, 1993, dismissing this matter should be corrected to reflect the proper balance of the judgment suspended by prior order. Accordingly,

IT IS ORDERED that the suspended $200 balance of the judgment be VACATED and that this case be dismissed.

CASE NO. PST920006
MAY 11, 1993

APPLICATION OF
LAND'OR UTILITY COMPANY, INC.

For review and correction of assessments - tax year 1992

DISMISSAL ORDER

In his ruling of May 5, 1993, Hearing Examiner Glenn P. Richardson recommended that the Commission dismiss this application for review and correction of assessments. Examiner Richardson made this ruling after Land'Or Utility Company, Inc., moved to withdraw its application. The Commission will adopt Examiner Richardson's recommendation. Accordingly,

IT IS ORDERED that this application be dismissed from the Commission's docket of cases and that the papers herein be passed to the files for ended proceedings.

DIVISION OF PUBLIC UTILITY ACCOUNTING

CASE NO. PUA900013
AUGUST 19, 1993

APPLICATION OF
TOLL ROAD CORPORATION OF VIRGINIA

For a certificate of authority and approval of rates of return, toll rates and rate making methodology pursuant to Virginia Highway Corporation Act of 1988

THIRD ORDER AMENDING CERTIFICATE

By Opinion and Final Order of July 6, 1990, the Commission granted Toll Road Corporation of Virginia ("TRCV") a certificate to construct and operate a private toll road between the western end of the Dulles Toll Road and Leesburg, Virginia ("Dulles Toll Road Extension"). On June 28, 1991, the Commission issued an Order Amending Certificate, permitting TRCV, among other things, to transfer the certificate to Toll Road Investors Partnership II ("TRIP II") upon closing of the financing of its toll road project. On July 21, 1992, the Commission issued a Second Order Amending Certificate. In that Order, the Commission allowed TRCV to establish a revised financing plan, partnership structure and project schedule and granted TRCV the authority to collect tolls on behalf of the Virginia Department of Transportation in accordance with the Comprehensive Agreement between them.

TRCV filed an application on July 2, 1993, requesting further amendments to the certificate. TRCV requested that the Commission approve its current financing plan, project timetable and other matters relating to the Dulles Toll Road Extension. The application was served on the parties and on the localities affected by the proposed toll road project.

On July 15, 1993, the Commission's Staff filed a Preliminary Report. Staff reported that the revised financing plan and partnership structure were consistent with the Commission's prior approval and authorization, including transfer of the certificate from TRCV directly to TRIP II. Staff also reported that changes consistent with the intent of the certificate had been made in the composition of the investors, the amount of the investment and in the dollar amounts of the detailed financing of the Plan. Staff recommended approval of Company's request for a finding that, upon financial closing, the provisions of Virginia Code § 56-549 regarding failure to begin construction within two years of the issuance of the project's certificate would not be a basis for the revocation of the certificate if the closing occurred within the next few months.

TRCV has submitted a revised financing plan and partnership structure for our approval. We find that the modifications from the last financing plan and partnership arrangement are reasonable and in the public interest, and we find that they are consistent with the existing terms of the certificate, as amended. No further amendment is necessary to accommodate the current financing plan and the partnership structure.

As the record shows, the schedule for the project now contemplates commencement of large scale construction immediately upon closing, with closing anticipated about September 30, 1993. We find this schedule reasonable although construction will begin more than two years after issuance of our original certificate. We believe that revocation of the certificate pursuant to § 56-549 is not justified under the circumstances. We note that there are no proposals to construct any comparable projects nor any objection from the parties or the localities affected by the proposed toll road. We therefore believe that delays by TRCV in the commencement of construction should not be considered as a basis for revocation of the certificate, assuming no objection is made to the TRCV project under § 56-549 before TRCV commences construction of the toll road project. Accordingly,

IT IS ORDERED:

(1) That the project may be pursued in accordance with the revisions in the financing plans, partnership structure and project schedule described by TRCV;

(2) That the provisions of the Opinion and Final Order of July 6, 1990, as amended by the Commission's order of January 28, 1991, the Order Amending Certificate of June 28, 1991 and the Second Order Amending Certificate of July 21, 1992, except as modified herein, shall remain in full force and effect;

(3) That the Opinion and Final Order of July 6, 1990, the Order of January 28, 1991, the Order Amending Certificate of June 28, 1991, the Second Order Amending Certificate of July 21, 1992 and this Third Order Amending Certificate shall hereafter constitute the certificate required by the Virginia Highway Corporation Act, authorizing construction and operation of the Dulles Toll Road Extension Project; and

(4) That this case shall remain open pending further order of the Commission.

Commissioner Moore took no part in this decision.

CASE NO. PUA900013
SEPTEMBER 28, 1993

APPLICATION OF
TOLL ROAD CORPORATION OF VIRGINIA

For a certificate of authority and approval of rates of return, toll rates and ratemaking methodology pursuant to Virginia Highway Corporation Act of 1988

ORDER

In its Opinion and Final Order of July 6, 1990, the Commission required the Toll Road Corporation of Virginia ("TRCV") to submit for approval the payment and performance bonds covering construction of the Dulles Toll Road Extension and the forms of all required insurance for the project. On September 23, 1993, TRCV submitted the performance and payment bonds which will be executed to cover the project. The required insurance forms have also been submitted.

After consultation with the Virginia Department of Transportation about the amount and terms of the bonds submitted by TRCV, we find them to be acceptable. By letter of September 27, counsel for TRCV has advised that the amounts of the bonds should be $145,240,000. This amount should be inserted in the bonds before their execution.

The insurance policy forms were filed on September 23 and modified on September 27, 1993. The forms have been approved for use in Virginia, and the issuing companies, to the extent identified, are licensed to write the proposed insurance in Virginia. The forms, as modified on September 27, are acceptable. TRCV shall assure that all the policies continue to comply with Virginia law, and the companies writing the policies shall be licensed to do so in Virginia.

Accordingly, we find that TRCV is now in compliance with ordering paragraphs (7), (8) and (9) of our Opinion and Final Order of July 6, 1990.

THEREFORE, IT IS ORDERED:

(1) That the construction payment and performance bonds shall be modified to state their amounts to be $145,240,000;

(2) That the bonds, in the amount of $145,240,000, are approved;

(3) That the insurance policy forms submitted on September 23, 1993, as modified on September 27, are approved; and

(4) That this case shall remain open until further order of the Commission.

CASE NO. PUA900013
SEPTEMBER 30, 1993

APPLICATION OF
TOLL ROAD CORPORATION OF VIRGINIA

For a certificate of authority and approval of rates of return, toll rates and ratemaking methodology pursuant to Virginia Highway Corporation Act of 1988

AMENDING ORDER

Upon consideration of the letter, dated September 29, 1993, submitted in this docket by counsel for the certificate holder, ordering paragraph 3 of our order of September 28, 1993 is amended to read:

> (3) That the insurance policy forms and amounts submitted on September 23, 1993, as modified on September 27, 1993, are approved for the holder of the Certificate of Authority;

IT IS SO ORDERED.

CASE NO. PUA900013
NOVEMBER 29, 1993

APPLICATION OF
TOLL ROAD CORPORATION OF VIRGINIA

For a certificate of authority and approval of rates of return, toll rates and ratemaking methodology pursuant to Virginia Highway Corporation Act of 1988

ORDER

By motion on November 23, 1993, Toll Road Investors Partnership II, L.P. ("TRIP II") and Toll Road Corporation of Virginia ("TRCV") asked the Commission to vary certain reporting procedures and deadlines contained in Paragraph 11 of our Opinion and Final Order of July 6, 1990, as amended. TRIP II and TRCV request the following schedule of submissions under Paragraph 11:

(a) The acceptance for filing, on the date of the motion, of audited financial statements of TRCV through July 31, 1993, to be supplemented with the filing by March 15, 1994, of audited financial statements of TRCV through September 29, 1993;

(b) The filing by March 15, 1994, of an audited closing balance sheet for TRCV at September 29, 1993, and an audited opening balance sheet for TRIP II at September 29, 1993;

(c) The filing by March 31, 1994, of audited financial statements of TRIP II for its fiscal year ending December 31, 1993;

(d) The filing by TRIP II for fiscal years after 1993 in accordance with requirements of paragraph 11(e) of the Commission's Opinion and Final Order dated July 6, 1990, as amended; and

(e) The filing of all other financial reports by TRIP II in accordance with paragraphs 11(a) and 11(c) of the Commission's Opinion and Final Order dated July 6, 1990, as amended.

The proposed variations from paragraph 11 are minor and temporary. Staff, which receives the filings in question, has advised that it has no objection to the motion. Staff is authorized to withhold any confidential material from public disclosure, but TRIP II and TRCV are directed to avoid filing confidential information if compliance with paragraph 11 can be otherwise achieved.

NOW, THEREFORE, the Commission finds that the motion should be GRANTED; accordingly,

IT IS ORDERED:

(1) That TRCV's filing of audited financial statements through July 31, 1993, is accepted and shall be supplemented with the filing by March 15, 1994, of audited financial statements through September 29, 1993;

(2) That TRCV shall file, by March 15, 1994, an audited closing balance sheet of September 29, 1993;

(3) That TRIP II shall file, by March 15, 1994, an audited opening balance sheet of September 29, 1993;

(4) That TRIP II shall file, by March 31, 1994, audited financial statements for its fiscal year ending December 31, 1993;

(5) That TRIP II shall file audited financial statements for fiscal years after 1993 in accordance with paragraph 11(e) of the Commission's Opinion and Final Order dated July 6, 1990, as amended;

(6) That TRIP II shall continue all other financial reporting in accordance with paragraphs 11(a) and 11(c) of the Commission's Opinion and Final Order of July 6, 1990, as amended; and

(7) That this case shall remain open pending further order of the Commission.

Commissioner Moore took no part in this order.

CASE NO. PUA900024
JANUARY 8, 1993

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For authority to issue and sell bonds

ORDER EXTENDING AUTHORITY

By Order dated June 7, 1990, Virginia Electric and Power Company ("Applicant") was granted authority to issue and sell up to $400 million of First and Refunding Mortgage Bonds ("Bonds") for a period of two years from the date of the Order. The Bonds are registered with the Securities and Exchange Commission as a shelf registration.

By letter filed June 25, 1992, Applicant requested and by Commission Order dated June 26, 1992, Applicant received an extension of its authority to issue Bonds under the shelf registration through December 31, 1992. On April 9, 1991, Applicant issued $100 million of Bonds to meet ongoing capital requirements. As such, Applicant presently has $300 million of remaining capacity from its shelf registration.

By letter dated January 6, 1993, Applicant represents that it anticipates the need for at least part of the $300 million in First and Refunding Mortgage Bonds during 1993. Therefore, to save the expense of registering a new shelf in the future, Applicant has requested that the authority to issue the remaining $300 million be extended to December 31, 1993.

THE COMMISSION, upon consideration of the original application, Applicant's letter dated January 6, 1993, and having been advised by its Staff, is of the opinion and finds that Applicant's request will not be detrimental to the public interest. Accordingly,

IT IS ORDERED:

1) That Applicant is authorized to issue and sell up to $300 million in First and Refunding Mortgage Bonds from the date of this Order through December 31, 1993, under the terms and conditions and for the purposes stated in the original application;

2) That all the requirements and guidelines prescribed in the June 7, 1990 Order shall remain in full force and effect;

3) That on or before February 25, 1994, Applicant shall file a final report of action, following the guidelines prescribed in ordering paragraph 5 of the Commission's Order dated June 7, 1990; and

4) That this matter be continued subject to the continuing review, audit and appropriate directive of the Commission.

CASE NO. PUA920014
JULY 15, 1993

APPLICATION OF
THE POTOMAC EDISON COMPANY

For authority to enter into a lease agreement with affiliates

ORDER GRANTING AUTHORITY

The Potomac Edison Company ("PE," "Potomac," Company," "Applicant") has filed an application with the Commission under the Public Utilities Affiliates Act for authority to enter into a lease agreement with affiliates. The application involves a proposed lease agreement between The Potomac Edison Company, Monongahela Power Company ("Monongahela") and West Penn Power Company ("West Penn"), affiliates, and Duquesne Light Company ("Duquesne"), a non-affiliate. PE states in its application that Monongahela is the operator and a partial owner of the Fort Martin Power Station (the "Power Station") located in Maidsville, Monongahela County, West Virginia. Fort Martin Power Station is a 1,110 megawatt station consisting of two active coal-fired generating units. The Power Station is owned by PE, Monongahela, West Penn, and Duquesne. Their ownership interests in the Power Station are as follows: Potomac, 27.5%; Monongahela, 22.5%; West Penn, 25%; and Duquesne, 25%. The ash disposal site at the Power Station consists of 698.201 acres of land located west and adjacent to the Power Station.

The land for the ash disposal site was purchased by, and in the name of, Monongahela for $145,466.00 in 1963 and is wholly and solely owned by Monongahela. Potomac, Monongahela, West Penn, and Duquesne agree that the ash disposal site is a common facility used in furtherance of the production of electricity at Fort Martin Power Station and, thus, all expenditures for the purchase of the ash disposal site should be shared by the four companies in proportion to their aggregate ownership interests in the Power Station.

Company requests Commission authority to enter into a Lease Agreement with Monongahela and West Penn and Duquesne to allow Monongahela to lease its ash disposal site at Fort Martin Power Station to all of the Power Station's owners so that the costs of acquiring the ash disposal site can be shared among the owners. The operational and maintenance costs of the disposal site are already shared by the affiliates and Duquesne in accordance with each company's respective ownership interests pursuant to an existing Common Operating Agreement. The effective date of the Lease Agreement was January 1, 1988, and the term of the Lease was for an initial term of one year to be automatically renewed and continued thereafter on a year-to-year basis until such time as Lessor or all the parties agree to terminate the Lease. Lease payments would be

recalculated each year based on the original cost of the ash disposal site, a fixed charge rate to include return on equity and tax gross up, property taxes for the year, and each individual Lessee's ownership interest in the Power Station. Company's share would be 27.5%.

THE COMMISSION, upon consideration of the application and representations of Applicant and having been advised by its Staff, is of the opinion that the above-described Lease Agreement would not be detrimental to the public interest and should be approved. Accordingly,

IT IS ORDERED:

1) That The Potomac Edison Company is hereby granted authority to enter the Lease Agreement with Monongahela Power Company and West Penn Power Company under the terms and conditions and for the purposes as described herein;

2) That should any of the terms and conditions of the Lease Agreement change from those contained in the application, Commission approval shall be required for such changes;

3) That the authority granted herein shall not preclude the Commission from exercising the provisions of §§ 56-78 and 56-80 of the Code of Virginia hereafter;

4) That the Commission 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, pursuant to § 56-79 of the Code of Virginia; and

5) That there appearing nothing further to be done in this matter, the same be, and it hereby is, dismissed.

CASE NO. PUA920020
JULY 15, 1993

APPLICATION OF
CENTRAL TELEPHONE COMPANY OF VIRGINIA

For approval of agreements with affiliates

ORDER GRANTING AUTHORITY

On August 20, 1992, Central Telephone Company of Virginia ("Centel - Virginia," "Virginia," "Company," "Applicant") filed an application with the Commission under the Public Utilities Affiliates Act for approval of a Service Agreement (the "Agreement") with Central Telephone Company of Florida ("Central Telephone - Florida," "Florida") effective as of January 1, 1992, under which Central Telephone - Virginia would provide centralized cash processing services to Central Telephone - Florida. On June 21, 1993, Company amended its application to include a like agreement with Central Telephone Company of North Carolina ("Central Telephone - North Carolina," "North Carolina") effective as of February 4, 1993. The Service Agreements with Florida and North Carolina are collectively referred to herein as the "Agreements."

Under the Agreements, Central Telephone Company of Virginia may provide the same services to other affiliated companies, subsidiaries, and operating divisions of Centel Corporation. The affiliates would be charged monthly for the costs and expenses incurred by Virginia. The costs and expenses charged include: payroll costs, employee expenses, cost of facilities used to provide services, telephone and other communications expenses, printing and postage expenses, machine rentals, stationery, and other miscellaneous expenses associated with providing the services. The costs and expenses for the services provided would be charged to Florida and North Carolina on a direct bill basis. Exception time reporting would be used by employees performing the services and direct reporting would be used for significant directly identifiable expenses related to the services. Periodic facilities utilization studies would be performed for miscellaneous expenses and for facilities used to provide the services. Where no direct measure of costs is practicable, costs and expenses would be attributed based on indirect measures of cost causation.

Company represents that the Agreements may be canceled as of the end of any calendar month by giving not less than thirty (30) nor more than ninety (90) days written notice to the other party. Central Telephone - Virginia states in its application that by providing this service on a centralized basis, the companies will avoid duplication of personnel costs and increase the efficiency of existing personnel. Use of the direct and indirect billing methods would insure that the costs of the services provided are fairly charged.

Company states in its application that at the time the Agreements were negotiated and executed, Company personnel were not aware that such arrangements required prior approval of the Commission.

THE COMMISSION, upon consideration of the application and representations of Applicant and having been advised by its Staff, is of the opinion that a limited approval period for the above-described Agreements would not be detrimental to the public interest. The Commission is also of the opinion that approval herein should cover services provided to Florida and North Carolina only and that any such services provided to other affiliates of Applicant shall require separate Commission approval. Accordingly,

IT IS ORDERED:

1) That the Service Agreement described herein between Central Telephone Company of Virginia and Central Telephone Company of Florida is hereby approved effective as of January 1, 1992;

2) That the Service Agreement described herein between Central Telephone Company of Virginia and Central Telephone Company c North Carolina is hereby approved effective as of February 4, 1993;

3) That the above-described approvals are for Central Telephone Company of Florida and Central Telephone Company of North Carolina only and that any other such agreements with other affiliates shall require separate Commission approval;

4) That the above-described approvals shall be for a limited time period to expire on February 4, 1993;

5) That should Applicant desire to continue such arrangements with Florida and North Carolina beyond February 4, 1993, subsequent approval shall be required prior to such date;

6) That should there be any changes in the terms and conditions in the Agreements from those contained herein, Commission approval shall be required for such changes;

7) That the approvals granted herein shall not preclude the Commission from applying the provisions of §§ 56-78 and 56-80 of the Code of Virginia hereafter;

8) That the Commission 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, pursuant to § 56-79 of the Code of Virginia; and

9) That there appearing nothing further to be done in this matter, the same be, and it hereby is, dismissed.

CASE NO. PUA920020
JULY 22, 1993

APPLICATION OF
CENTRAL TELEPHONE COMPANY OF VIRGINIA

For approval of agreements with affiliates

NUNC PRO TUNC ORDER

On July 15, 1993, the State Corporation Commission entered an order granting Central Telephone Company of Virginia ("Company") approval of a Service Agreement with Central Telephone Company of Florida ("Florida") effective as of January 1, 1992. In that Order, the Commission also approved a like agreement between Company and Central Telephone Company of North Carolina ("North Carolina"). The Service Agreements with Florida and North Carolina are collectively referred to herein as the "Agreements."

That Order, however, incorrectly referenced the time period for such approvals to expire. Page 4, ordering paragraphs (4) and (5) of that Order, incorrectly stated that February 3, 1993, was the date for the approvals to expire. That date should have been February 4, 1998.

NOW THE COMMISSION, upon consideration of the matter, is of the opinion that the July 15, 1993 Order should be corrected nunc pro tunc to accurately reference the time limitation relative to the above-referenced Agreements. Accordingly,

IT IS ORDERED:

(1) That our July 15, 1993 Order in this proceeding shall be corrected nunc pro tunc to accurately reflect the time limitation of the above-described approvals;

(2) That the corrected reference to the time limitation on page 4, ordering paragraphs (4) and (5) of the above-referenced Order shall be February 4, 1998; and

(3) That there appearing nothing further to be done in this matter, the same be, and hereby is, dismissed from the Commission's docket of active cases.

CASE NO. PUA920021
MARCH 25, 1993

APPLICATION OF
THE CHESAPEAKE AND POTOMAC TELEPHONE COMPANY OF VIRGINIA

For authority to continue a lease agreement with an affiliate

ORDER GRANTING AUTHORITY

On August 20, 1992, The Chesapeake and Potomac Telephone Company of Virginia ("C&P," "Company," "Applicant") filed an application with the Commission under the Public Utilities Affiliates Act ("Affiliates Act") for authority to continue a lease agreement with Bell Atlantic Properties, Inc. ("BAPI","Affiliate").

In its application, C&P proposes to continue a lease agreement with its affiliate, Bell Atlantic Properties, Inc. for office space at C&P Headquarters at 600 East Main Street, Richmond, Virginia. C&P entered into this lease in August, 1988 with the then owner of the building, Suburban Brokerage, Inc. ("Suburban"), a company not affiliated with C&P. The lease was amended with Suburban Brokerage in July, 1989. In late 1989, BAPI acquired ownership of the property and succeeded by operation of law to the position of C&P's landlord under the Suburban lease.

C&P represents that it did not file an application for the approval of the lease because it had not been entered into with an affiliate. The Commission Staff, however, took the position that once BAPI took over ownership of the building and succeeded by operation of law to the position of C&P's landlord under the lease, that approval was required under the Affiliates Act. Such lease arrangement is currently between C&P and BAPI, affiliates. C&P disagreed with Staff's position, but filed the application nevertheless. The original Main Street Centre Lease Agreement, the First Lease Modification Agreement, and the Second Lease Modification Agreement (collectively referred to as, the "Lease Agreement") were filed by C&P as proprietary information.

Company represents that the terms and conditions of the Lease Agreement were established through fair and open nego-tiations between Company and its non-affiliate, Suburban. They were not changed in any manner by BAPI's acquisition of the property and its succession to the position of C&P's lessor. Company represents that the lease was necessary to consolidate various management groups located in other leased and owned quarters in downtown Richmond into one location.

THE COMMISSION, upon consideration of the application and representations of Applicant and having been advised by its Staff, is of the opinion that the above-described Lease Agreement is not detrimental to the public interest and should be approved. Accordingly,

IT IS ORDERED:

1) That C&P is authorized to continue with the Lease Agreement as described herein;

2) That should the terms and conditions of the Lease Agreement change from those described herein, Commission approval shall be required for such changes;

3) That the authority granted herein shall not preclude the Commission from exercising the provisions of §§ 56-78 and 56-80 of the Code of Virginia hereafter;

4) That the Commission 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, pursuant to § 56-79 of the Code of Virginia; and

5) That there appearing nothing further to be done in this matter, the same be, and it hereby is, dismissed.

CASE NO. PUA920022
APRIL 12, 1993

APPLICATION OF
VIRGINIA NATURAL GAS, INC.

For authority to enter into affiliate agreements

ORDER GRANTING AUTHORITY

On August 25, 1992, Virginia Natural Gas, Inc. ("VNG," "Company," "Applicant") filed an application with the Commission under the Public Utilities Affiliates Act for authority to enter into agreements with its affiliate, CNG Transmission Corporation ("Transmission," "Affiliate").

VNG states in its application that Company became a wholly-owned subsidiary of Consolidated Natural Gas Company, Inc. ("Consolidated") effective January 1, 1990. In contemplation of the acquisition of VNG by Consolidated, the Commission approved by Order dated October 31, 1989, in Case No. PUA890037, a service agreement (the "Service Agreement") between Consolidated Natural Gas Service Company ("Service Company") and VNG and approved by another order dated October 31, 1989, in Case No. PUA890047, the participation of VNG in the Consolidated "Money Pool." Since those original approvals, the Commission has from time to time approved other transactions or arrangements between Company and Consolidated companies.

In its application, Virginia Natural Gas, Inc. requests authority to enter into agreements with Transmission for (1) the sale, storage, and transportation of natural gas by Transmission; (2) the assignment by Transmission to VNG of up-stream capacity on another interstate pipeline; (3) providing various management services between VNG and Transmission on an as needed and reciprocal basis; and (4) for the use by or for the benefit of VNG of Transmission aircraft for the transportation of personnel and for the patrol of the recently completed VNG intrastate pipeline as well as other business purposes.

Gas Supply

VNG requested in its original application to enter into the Rate Schedule CD Service Agreement ("Exhibit A") with Transmission for up to 30,000 Dekatherms per day ("DthD"). Exhibit A was subsequently withdrawn by Company per letter dated October 2, 1992.

In anticipation of the withdrawal by Transmission of its current Rate Schedule CD Service, Company requested approval of the following service agreements ("Exhibit B"). VNG requests authority to enter into Service Agreement under Rate Schedule CD for 13,300 DthD, with Standby Transportation Service Agreement Under Rate Schedule CD Standby Service Provisions for 6,650 DthD pursuant to tariff provisions approved by

the Federal Energy Regulatory Commission ("FERC"). Company also requests approval of agreements for storage service and related transportation services including (1) Service Agreement Under Rate Schedule GSS Storage Service for 6,700 DthD and a storage capacity of 502,000 Dekatherms ("dth"); and (2) Storage TF Service Agreement Upon Withdrawal From Storage for delivery of 6,700 DthD. Also, VNG proposes to enter into Service Agreement Under Rate Schedule TF for transportation of 7,500 DthD from Tennessee Gas Pipeline Company and 2,500 DthD from Appalachian receipt points, which will be rendered under FERC-approved tariff provisions.

Exhibit A was originally proposed and accepted as an agreement between VNG and Affiliate on or about June 13, 1991, subject to the approval of this Commission, for Rate Schedule CD service of up to 30,000 DthD beginning November 1, 1992. Exhibit A contemplated the negotiated of agreements for unbundled services between the parties and the entering into of replacement service agreements for unbundled service consistent with the terms of Transmission's "Global Settlement" with all of its customers.

Exhibit B is the result of the unbundling of services formerly provided by Transmission under Rate Schedule CD Sales Agreements with its customers, including VNG. The City of Richmond Utilities Department has negotiated similar agreements with Transmission as replacements for the City's Rate Schedule CD Sales Agreement, and intends to enter into those agreements for restructured services upon obtaining FERC approval. The proposed agreements for restructured services for VNG and the City of Richmond were filed by Transmission for approval by FERC on May 13, 1992. Such approval was received on September 22, 1992. After receiving approval for Exhibit B, Exhibit A was withdrawn from the application filed herein. Company continues to seek Commission approval for Exhibit B.

VNG further requests authority to enter into an Interruptible Service Agreement with Transmission ("Exhibit C"). Exhibit C is applicable to temporary assignments of capacity under Rate Schedule UTAP ("Upstream Transportation Assignment Program"), which provides for the possible temporary assignment to VNG by Transmission of Transmission's transportation rights on the Texas Eastern Transmission Corporation upstream pipeline system.

Third, Company requests approval of a Limited-Term Transportation Agreement with Transmission ("Exhibit D") under which VNG would have the right to transport on an interruptible basis up to 30,000 DthD on the interstate pipeline system of Transmission under Rate Schedule TI ("Interruptible Transportation Service").

Management Services

As recited earlier, the Commission has previously approved the Service Agreement between Service Company and VNG for a variety of services. VNG now requests authority to enter into a Management Services Agreement (the "Agreement") with Transmission by which VNG would receive management services from Transmission, in addition to Service Company and a second Management Services Agreement (the "Reciprocal Agreement") by which VNG would, probably less frequently, provide management services to Transmission. Affiliate would provide, upon request of VNG, operating, administrative, engineering, legal, purchasing, and related services to VNG. Such services would be provided at cost. Services under the Reciprocal Agreement would also be provided at cost, as requested by Transmission.

Aircraft

VNG represents that it has a need for aircraft services for the transportation of personnel and for the patrol of the recently completed VNG intrastate pipeline. Transmission, which operates a large interstate pipeline system, can provide services for both purposes to VNG. Company, therefore, requests authority to enter into an Aircraft Service Agreement - Canadair Challenger and Aircraft Service Agreement - Cessna Citation V (collectively referred to as the "Aircraft Agreements"), which provide for Transmission to make available to VNG, upon request, a Canadair Challenger and Cessna Citation V for the transportation of VNG personnel. According to the Aircraft Agreements, Affiliate would charge Company for incremental passenger flight costs on the fixed-wing airplanes based on average commercial coach fair ("ACF") per mile.

VNG further requests approval of a Letter Helicopter Service Agreement (the "Helicopter Agreement"). The Helicopter Agreement provides for Transmission to make available to VNG, upon request, a McDonnell Douglass Model 500 E helicopter for pipeline patrol and miscellaneous air transportation purposes. According to the Helicopter Agreement, helicopter service would be charged to VNG by Transmission based on the most recent average monthly cost per minute, taking into account Transmission's overall cost of service for these aircraft, multiplied by the number of minutes flown during the month on behalf of VNG.

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 arrangements would not be detrimental to the public interest and should be approved. The Commission is of the further opinion, however, that due to the fact that Applicant has represented that it contemplates the provision of pipeline operation and maintenance services only under Exhibit E and Exhibit F, should other services be anticipated, the Commission should be notified of Applicant's intentions to expand the scope of services to be provided. Also, to encourage Applicant to further investigate helicopter flight service from other vendors, the Commission is of the opinion that a limited approval period for the Letter Helicopter Service Agreement would be in the public interest. The Commission is also of the opinion that should Applicant utilize corporate aircraft when commercial air travel is available, Applicant should be allowed to pay no more than the lesser of the actual costs based upon the ACF or comparable commercial airline rate. Accordingly,

IT IS ORDERED:

(1) That Applicant is hereby authorized to enter into the gas supply agreements with CNG Transmission Corporation referred to as Exhibit B, Exhibit C, and Exhibit D under the terms and conditions and for the purposes as described herein;

(2) That Applicant is hereby authorized to enter into the management services agreements referred to as the Agreement and the Reciprocal Agreement under the terms and conditions and for the purposes as described herein;

(3) That should Applicant anticipate the provision of services under Exhibit E and Exhibit F other than pipeline operation and maintenance, Applicant shall notify the Commission of its intentions to expand the scope of services to be provided;

(4) That Applicant is hereby authorized to enter into the aircraft agreements referred to as Aircraft Service Agreement - Canadair Challenger and Aircraft Service Agreement - Cessna Citation V under the terms and conditions and for the purposes as described herein except that should Applicant utilize corporate aircraft when commercial airline travel is available, Applicant shall pay no more for use of the aircraft than the lesser of the actual costs based upon the ACF or the comparable commercial airline rate;

(5) That Applicant maintain appropriate records for Commission inspection and review at its own discretion which show that whenever corporate aircraft was utilized by Applicant when commercial air travel was available that Applicant paid no more than the lesser of the actual costs based on the ACF or the comparable commercial airline rate;

(6) That Applicant is authorized to enter into the Letter Helicopter Service Agreement under the terms and conditions and for the purposes as described herein except that such approval shall be through December 31, 1993;

(7) That should Applicant desire to continue the Letter Helicopter Service Agreement beyond December 31, 1993, subsequent approval shall be obtained from the Commission, such approval to be dependent, among other things, Applicant's further investigation of obtaining such service from other vendors;

(8) That should any terms and conditions of the aforementioned agreements change from those contained in the application filed herein, Commission approval shall be required for such changes;

(9) That 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;

(10) That the Commission 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, pursuant to § 56-79 of the Code of Virginia;

(11) That Applicant shall file a report with the Director of Public Utility Accounting of the Commission by April 1 of each year, the first of such reports to be filed on or before April 1, 1994, and continuing each year thereafter, such report containing the following information: charges incurred by VNG under the gas supply agreements, a summary of management services provided by Affiliate to Applicant and by Applicant to Affiliate and the charges incurred for such services, and the charges incurred by Applicant for aircraft (including helicopter) services separated by Canadair Challenger, Cessna Citation V, and helicopter; and

(12) That there appearing nothing further to be done in this matter, the same be, and it hereby is, dismissed.

CASE NO. PUA920022
MAY 3, 1993

APPLICATION OF
VIRGINIA NATURAL GAS, INC.

For authority to enter into affiliate agreements

ORDER EXTENDING AUTHORITY

On August 25, 1992, Virginia Natural Gas, Inc. ("VNG", "Company," "Applicant") filed an application for authority under the Public Utilities Affiliates Act requesting approval of a series of contractual arrangements (the "Agreements") between itself and CNG Transmission Corporation ("Transmission", "Affiliate") relating to gas supply, management services, and aircraft services. On April 8, 1993, Company filed an amendment to its application requesting that authority for the Agreements be made retroactive to the dates services were provided pursuant to the Agreements. That request was not received by the Commission's Division of Public Utility Accounting until April 12, 1993.

On April 12, 1993, the Commission issued its Order Granting Authority authorizing VNG to enter into the proposed contractual arrangements with Transmission. Such authority was not, however, granted retroactively.

Pursuant to Company's requested amendment, Staff has requested certain additional information. This information was requested by letter dated April 27, 1993.

NOW THE COMMISSION, upon consideration of the requested amendment, Staff's request for information, and the additional time needed to comply with this request, is of the opinion that this case should be extended until further Order of the Commission. Accordingly,

IT IS ORDERED that the Commission's jurisdiction in this matter shall be extended until further Order of the Commission.

CASE NO. PUA920022
JULY 15, 1993

APPLICATION OF
VIRGINIA NATURAL GAS, INC.

For authority to enter into affiliate agreements

AMENDING ORDER

On August 25, 1992, Virginia Natural Gas ("VNG," "Company," "Applicant") filed an application for authority under the Public Utilities Affiliates Act requesting approval for a series of contractual arrangements (the "Agreements") between itself and CNG Transmission Corporation ("Transmission," "Affiliate") relating to gas supply, management services, and aircraft services. The contracts for which VNG sought approval were set forth in thirteen (13) exhibits consisting of one hundred seventy six (176) pages. By letter dated October 2, 1992, and filed with the Commission on October 2, 1992, VNG amended its application by withdrawing a certain gas supply contract set forth and identified in the original application as Exhibit A, the terms of that contract having been replaced by Exhibits B-1 through B-5 which were originally presented as an alternative to the contract set forth in Exhibit A.

In its amendment filed April 8, 1993, Company states that the gas supply contracts were originally identified as being effective as of November 1, 1992, for the 1992-93 winter heating season, subject to Commission approval, and certain transactions were necessary during the 1992-93 winter heating season between Company and Affiliate in order for VNG to properly serve its customers. In addition, with the construction and placing in service of its intrastate natural gas pipeline from Fauquier County, Virginia, to James City County, Virginia, in August 1992, it has been necessary for Company to contract for certain services to be performed in connection therewith, such services being contemplated by the management services and aircraft services contracts set forth in the application for authority.

VNG acknowledges that because of the substantial volume of the materials provided in the application, the Commission was unable to process the various contracts for which authority was requested prior to services being needed. VNG further acknowledges that certain services have been performed pursuant to the proposed contracts as a result of the going nature of VNG's business and its activities as a jurisdictional local distribution company and operator of a 135-mile long intrastate natural gas pipeline.

Because VNG failed to recognize the length of time necessary to properly process its application, it failed to request that any approval and authority granted by the Commission be granted retroactively to the date that those necessary services were performed between VNG and Transmission. Company, therefore, requests such approval to be made retroactively to the dates such services were provided pursuant to the Agreements.

On June 18, 1993, Company submitted a request for clarification of the Commission's April 12, 1993 Order regarding use of corporate aircraft. The requested clarification related to ordering paragraphs (4) and (5) which appear as follows:

(4) That Applicant is hereby authorized to enter into the aircraft agreements . . . except that should Applicant utilize corporate aircraft when commercial airline travel is available, Applicant shall pay no more for use of the aircraft than the lesser of the actual costs based upon the ACF or the comparable commercial airline rate;

(5) That Applicant maintain appropriate records for Commission inspection and review at its own discretion which show that whenever corporate aircraft was utilized by Applicant when commercial air travel was available that Applicant paid no more than the lesser of the actual costs based on the ACF or the comparable commercial airline rate.

Company requests clarification due to the fact that it feels that there is a lack of any operative standard in connection with the phrase "when commercial airline travel is available" and that there are certain situations in which Company believes use of the corporate aircraft would be appropriate and in the public interest despite the availability of commercial airline travel. VNG also believes that a proper evaluation of the use of the corporate aircraft should include the purpose of the flights, the nature of the business to be conducted in relation to the flight, and the total expenses incurred for travel to a particular location, rather than focusing soley on a cost comparison between the commercial rate and that charged by Transmission pursuant to the aircraft agreements.

Company also proposed modifying ordering paragraph (4) in which the words "Applicant shall pay no more . . ." appear. Company feels that there may be times when use of the corporate aircraft does not meet any of the conditions for using the aircraft notwithstanding the fact that a legitimate business purpose was served by the travel which took place. VNG would like to avoid a situation where Transmission provides the corporate aircraft to VNG at cost, and VNG would possibly be prohibited from paying for such services as a result of the Commission's April 12, 1993 Order.

THE COMMISSION, upon consideration of Applicant's request for amendments to the Commission's April 12, 1993 Order and having been advised by its Staff, is of the opinion that making the approvals granted in the Commission's April 12, 1993 Order retroactive to the dates such services were provided pursuant to the Agreements would not be detrimental to the public interest. The Commission is of the further opinion that certain clarifications to its April 12, 1993 Order would be in the public interest. Accordingly,

IT IS ORDERED:

1) That the authority granted in the Commission's April 12, 1993 Order herein shall be made retroactive to the dates such services were provided pursuant to the Agreements;

2) That ordering paragraph (4) be modified to read as follows:

4) That Applicant is hereby authorized to enter into the aircraft agreements referred to as Aircraft Service Agreement - Canadair Challenger and Aircraft Service Agreement - Cessna Citation V under the terms and conditions and for the purposes as described herein except that should Applicant utilize corporate aircraft when commercial airline travel is available, Applicant may include in its cost of service no more for use of the corporate aircraft than the lesser of the actual costs based on the ACF or the comparable commercial airline rate;

3) That ordering paragraph (5) be amended to read as follows:

5) That Applicant maintain appropriate records for Commission inspection and review at its own discretion which show that whenever corporate aircraft was utilized by Applicant when commercial air travel was available that Applicant charged to its cost of service no more than the lesser of the actual costs based on the ACF or the comparable commercial airline rate;

4) That the following be inserted following ordering paragraph (5):

(6) For purposes of determining the use of Company-owned aircraft, commercial airline travel shall be deemed unavailable in the following instances:

a) when use of the most direct commercial flight available would necessitate overnight accommodations at the destination in order to meet scheduled appointment times, and the combined cost of commercial air fare plus overnight accomodations would exceed the ACF charged by the Affiliate; or

b) when the employee will be joining one or more passengers on the corporate aircraft on at least one segment of the flight during which business discussions will take place in preparation for, or in response to, a scheduled business appointment for which the flight was arranged; and

5) That all other provisions of the Commission's April 12, 1993 and May 3, 1993 Orders shall remain in full force and effect.

CASE NO. PUA920029
JANUARY 25, 1993

APPLICATION OF
THE CHESAPEAKE AND POTOMAC TELEPHONE COMPANY OF VIRGINIA

For authority to enter into agreement with an affiliate

ORDER GRANTING AUTHORITY

On September 24, 1992, The Chesapeake and Potomac Telephone Company of Virginia ("C&P," "Company," "Applicant") filed an application with the Commission under the Public Utilities Affiliates Act for authority to provide certain unregulated telephone services to Bell Atlantic Network Services, Inc. ("NSI," "Affiliate"). Pursuant to the Intra-regional Billing Schedules (the "Agreements") filed with the application and effective as of October 1, 1991, C&P has performed routine unregulated installation and repair work to maintain NSI's official communications system. Company requests Commission approval of this work.

In Case No. PUA850079, C&P was granted authority to provide certain installation and maintenance services for NSI's official communications services. Company represents that NSI recently constructed an additional office building in Arlington, Virginia, and required communications services for this building.

C&P has agreed to install and maintain NSI's telecommunications terminal equipment in the new building and to provide maintenance services in other NSI locations in Arlington, McLean, Herndon, and Richmond, Virginia. Pursuant to the Agreements, employees of C&P's Official Communications Services group performed installation and maintenance services required by NSI. Company states that it is fully compensated for the salary and related expenses of performing the services for Affiliate. C&P technicians record the number of hours spent performing installation and maintenance work for NSI and charge the hours to a Keep Cost Order. C&P states further that Company also is fully compensated for investment and material related costs including overhead costs.

THE COMMISSION, upon consideration of the application and representations of Applicant and having been advised by its Staff, is of the opinion that the above-described arrangement would not be detrimental to the public interest and should be approved. Accordingly,

IT IS ORDERED:

(1) That, effective October 1, 1991, The Chesapeake and Potomac Telephone Company of Virginia is authorized to enter into an agreement with NSI to provide certain unregulated telephone services to NSI as described herein and to receive compensation for services rendered in accordance with the Intra-regional Billing Schedules contained in the application;

(2) That should any terms and conditions change from those contained in this application, Commission approval shall be required for such changes;

(3) That the authority granted herein shall not preclude the Commission from exercising the provisions of §§ 56-78 and 56-80 of the Code of Virginia hereafter;

(4) That the Commission 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; and

(5) That there appearing nothing further to be done in this matter, the same be, and it hereby is, dismissed.

CASE NO. PUA920031
JANUARY 4, 1993

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For authority to sell public service property

ORDER GRANTING AUTHORITY

On October 16, 1992, Virginia Electric and Power Company ("Virginia Power," "Company," "Applicant") filed an application with the Commission under the Utility Transfers Act for authority to sell public service property to the City of Franklin, Virginia (the "City," "Franklin"). Pursuant to a Facilities Purchase Agreement (the "Agreement"), Virginia Power proposes to sell and convey and the City of Franklin, Virginia, has agreed to purchase certain distribution facilities and acquire the easement and right-of-way interests associated therewith (the "Facilities"). The original cost of the Facilities is $650,180.

The Facilities have been used by Virginia Power to provide retail electric service in its certificated area. After acquisition by the City, the Facilities would be used to provide retail electric service to its customers within Franklin's Annexed Area.

Virginia Power proposes to sell the Facilities at a price of $751,867, plus or minus any adjustments pursuant to Paragraphs 4 and 15 of the Agreement, and represents that the price is the result of arms length bargaining between the two parties. In determining the purchase price, Virginia Power used a calculation based on the reproduction cost, new, less depreciation, otherwise known as the South Carolina method of valuing utility facilities for sale. This methodology was previously used by Virginia Power and approved by the Commission in Case No. PUA870063 (purchase by City of Manassas of Virginia Power's electric distribution facilities in its annexed area).

Company represents that the sale would enable the City to furnish electric utility service throughout the City of Franklin, including the Annexed Area, would neither impair nor jeopardize adequate service to the public at just and reasonable rates, and is in the public interest. Company also represents that this sale represents a desire to settle amicably the dispute underlying the appeal pending before the Supreme Court from the Commission's Final Order in Case No. PUE890069.

THE COMMISSION, upon consideration of the application and representations of Applicant and having been advised by its Staff, is of the opinion that the above-described arrangement would not impair or jeopardize adequate service to the public at just and reasonable rates and should be approved. Accordingly,

IT IS ORDERED:

1) That Virginia Power is hereby authorized to sell the Facilities as described herein to the City of Franklin, Virginia, pursuant to the Facilities Purchase Agreement filed in this case;

2) That the transaction shall be booked to the accounts as submitted in the application;

3) That the authority granted herein shall have no implications for ratemaking purposes;

4) That the Commission reserves the right to prescribe other accounting treatment of the sale for ratemaking purposes;

5) That a Report of Action be filed on or before March 31, 1993, such report to include the date of the sale, the price, and the accounting entries reflecting the transfer; and

6) That this matter be continued generally subject to the continuing review, audit, and appropriate directive of the Commission.

CASE NO. PUA920036
JANUARY 20, 1993

APPLICATION OF
SHENANDOAH TELEPHONE COMPANY

For authority to loan funds to parent

ORDER GRANTING AUTHORITY

Shenandoah Telephone Company ("Shenandoah" or "Company") has filed an application under the Public Utilities Affiliates Act. Company is a wholly-owned subsidiary of Shenandoah Telecommunications Company ("Telecommunications").

Shenandoah represents that from time to time it has excess funds, and Telecommunications may have a need for funds. Therefore, Company requests authority to lend to Telecommunications from time to time, between now and December 31, 1993, up to a maximum outstanding amount of $2,000,000 at any one time. Such loans will be evidenced by notes of Telecommunications maturing less than twelve months after the date of issue and will bear interest payable monthly at the New York prime rate.

THE COMMISSION, upon consideration of the application and having been advised by its Staff, is of the opinion that the proposed loan arrangement would not be detrimental to the public interest and should be approved. Accordingly,

IT IS ORDERED:

1) That Company is authorized to lend excess funds from time to time to Shenandoah Telecommunications Company under the terms and conditions as described in the application;

2) That should Company wish to continue the described arrangement after December 31, 1993, an application shall be filed with the Commission for subsequent approval;

3) That 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) That 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) That, on or before January 31, 1994, Company shall file with the Commission a report of action taken in accordance with the authority granted herein, such report to include a schedule of funds loaned to Telecommunications showing date of the note(s), amount, maturity, interest rate, and use of loan proceeds; a schedule of short-term borrowings by Company showing date, amount, maturity, interest rate, and use of proceeds; and a balance sheet reflecting the action taken; and

6) That this matter shall be continued generally, subject to the continuing review, audit, and appropriate directive of the Commission.

CASE NO. PUA930001
OCTOBER 5, 1993

APPLICATION OF
THE CHESAPEAKE AND POTOMAC TELEPHONE COMPANY OF VIRGINIA

For approval of agreement with affiliates

ORDER GRANTING AUTHORITY

The Chesapeake and Potomac Telephone Company of Virginia ("C&P," "Company," "Applicant") has filed an application with the Commission under the Public Utilities Affiliates Act for approval of an Agreement between C&P and affiliates, Bell Atlantic Enterprises International, Inc. ("BAEI"), Bell Atlantic Investment Development Corporation ("BAID"), and Bell Atlantic Capital Corporation ("BACC"), (collectively referred to as the "Affiliates"), acting on behalf of themselves and their subsidiaries, pursuant to which the parties will provide to the other various services to meet customer demands for coordinated delivery of their separate products and services.

Company states in its application that customers increasingly desire a single source for solutions to all of their communications needs. In efforts to satisfy that desire, C&P has entered into various agreements with its affiliates to be able to present one point of contact for customers. Agreements have been approved for joint marketing activities in Case Nos. PUA880078 and PUA900067.

Under the proposed Agreement, joint marketing activities with its affiliates will continue to include referrals and joint sales proposals as in the past, but will also include teaming and agency agreements. A typical teaming arrangement might be C&P acting as a prime contractor with one or more of its affiliates acting as subcontractors. In such a case, the practical effect of the new agreement would be that the customer would have to sign only a single prime contract with C&P instead of having to sign separate contracts with each involved Bell Atlantic affiliate. A typical agency arrangement would allow Company to sign a single contract as agent for its other affiliates involved in the sale. Company states that by providing for such arrangements, the new agreement will more effectively accomplish the purpose of the old agreements: to allow C&P to become a single source for integrated solutions to the increasingly complex telecommunications and informational needs of its business customers.

Under the proposed Agreement, all costs associated with joint marketing activities will continue to be allocated in accordance with Parts 32 and 64 of the Rules and Regulations of the Federal Communications Commission ("FCC").

Under the Agreement, C&P and the Affiliates may institute an incentive plan for integrated business activity, including payment of commissions to C&P employees for their activities which resulted in closed sales of products and services of one or more of the Affiliates. Under the Agreement, C&P would pay such commissions, subject to reimbursement from the involved Affiliates, at rates determined by the Affiliates and agreed to by C&P. C&P will separately account for costs and expenses for the activities in which it is engaged on behalf of the Affiliates under the Agreement and the services and products that it provides to the Affiliates under the Agreement. C&P is to be reimbursed by the Affiliates on an estimated basis (subject to later true-up) thirty (30) days after it incurs costs and expenses or pays commissions. The parties may also institute a similar incentive plan, including payment of commissions to employees of the Affiliates for their activities which result in closed sales. Each of the Affiliates will bill Company for its share of the costs and expenses in connection with activities, services, and products provided.

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 arrangement would not be detrimental to the public interest and should be approved. Accordingly,

IT IS ORDERED:

1) That The Chesapeake and Potomac Telephone Company of Virginia is hereby authorized to enter into the Agreement with the Affiliates under the terms and conditions and for the purposes as described herein;

2) That should there be any changes in the terms and conditions of the Agreement from those contained herein, Commission approval shall be required for such changes;

3) That the approval granted herein shall not preclude the Commission from applying the provisions of §§ 56-78 and 56-80 of the Code of Virginia hereafter;

4) That the approval granted herein shall have no ratemaking implications relative to revenues received by C&P or costs incurred by, or allocated to, C&P;

5) That the Commission 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; and

6) That there appearing nothing further to be done in this matter, the same be, and it hereby is, dismissed.

CASE NO. PUA930002
JANUARY 21, 1993

APPLICATION OF
RESTON/LAKE ANNE AIR CONDITIONING CORPORATION

For approval of an affiliate agreement

ORDER GRANTING AUTHORITY

Reston/Lake Anne Air Conditioning Corporation (the "Applicant") has filed an application with the Commission for approval of an affiliate arrangement pursuant to the Public Utilities Affiliates Act. The Applicant requests authority to renew an existing property lease agreement with Douglas and Barbara Cobb, officers of the corporation and landowners, for 1993 and 1994. The terms, including the lease payments, are the same as approved in Case No. PUA910004 for 1991 and 1992. The proposed annual lease for 1993 and 1994 is $15,600. The property, located in Fairfax, Virginia, is used to support a pumping plant.

THE COMMISSION, upon consideration of the application and having been advised by its Staff, is of the opinion that approval of the application would not be detrimental to the public interest. Accordingly,

IT IS ORDERED:

1) That the Applicant is authorized to renew the existing property lease agreement under the same terms and conditions and for the purposes as previously authorized in Case No. PUA910004;

2) That this authority is granted through December 31, 1994;

3) That should the Applicant desire to continue the property lease agreement as described herein beyond December 31, 1994, subsequent Commission approval shall be required;

4) That the approval granted herein does not preclude the Commission from applying the provisions of §§ 56-78 and 56-80 of the Code of Virginia hereafter;

5) That the Commission 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 pursuant to § 56-79 of the Code of Virginia; and

6) That there appearing nothing further to be done in this matter, the same be, and it hereby is, closed.

CASE NO. PUA930003
MARCH 10, 1993

APPLICATION OF
ROANOKE AND BOTETOURT TELEPHONE COMPANY

For approval of Amended Affiliates Agreement

ORDER GRANTING AUTHORITY

On January 13, 1993, Roanoke and Botetourt Telephone Company ("Company," R&B Telephone," "Applicant") filed an application with the Commission under the Public Utilities Affiliates Act for approval of an Amended Affiliates Agreement (the "Agreement"). In its application, Company requests approval to enter into an Amended Affiliates Agreement to include Botetourt Leasing, Inc. dba R & B Long Distance ("R&B LD"), a long distance reseller, which will offer discounted rates to long distance customers, and wholly-owned subsidiary of Botetourt Communications, Inc. An affiliates agreement (the "Existing Agreement") currently exists between Botetourt Communications, Inc., Company, and R & B Network, Inc. and was approved by the Commission in Case No. PUA900065. The only modifications to the Existing Agreement are as follows: 1) incorporating R&B LD into the Existing Agreement and 2) an additional allocation method for Billing and Collection Services regarding charges from R&B Telephone to R&B LD. The charge for billing and collection is based on a competitive rate reflective of the current charge for service in the R&B Telephone area and is similar to a five-year average rate paid to Company by another long distance carrier. Applicant states that no additional operating expenses will be incurred by R&B Telephone while being able to allocate its current level of expenses to an additional company, thus continuing to realize the benefits of more effectively utilizing its available resources.

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 amendments to Applicant's Existing Agreement would not be detrimental to the public interest and should be approved. Accordingly,

IT IS ORDERED:

1) That R&B Telephone is hereby authorized to amend its Existing Agreement approved in Case No. PUA900065 as described herein to include R&B LD and an additional allocation method for Billing and Collection Services;

2) That should there be any changes in the terms and conditions of the Existing Agreement or the Amended Affiliates Agreement as described herein, Commission approval shall be required for such changes;

3) That approval of this application shall not preclude the Commission from applying the provisions of §§ 56-78 and 56-80 of the Code of Virginia hereafter;

4) That 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; and

5) That there appearing nothing further to be done in this matter, the same be, and it hereby is, dismissed.

CASE NO. PUA930004
MARCH 12, 1993

APPLICATION OF
CENTRAL TELEPHONE COMPANY OF VIRGINIA

For authority to provide centralized telephone marketing services to an affiliate

ORDER GRANTING AUTHORITY

On January 20, 1993, Central Telephone Company of Virginia ("Central Telephone - Virginia," "Company," "Applicant") filed an application with the Commission under the Public Utilities Affiliates Act for authority to enter into a Service Agreement (the "Agreement") under which Central Telephone - Virginia would provide centralized telephone marketing of telephone services to Central Telephone Company of North Carolina ("Central Telephone - North Carolina, "Affiliate"). The Agreement states that it is effective September 1, 1992, but Company represents that it is not anticipated that services will be provided until February 1, 1993.

Under the Agreement, Central Telephone - North Carolina agrees to acquire certain telephone marketing services from Central Telephone - Virginia, and Company agrees to provide these services to Affiliate and itself. At time of application, Company was not providing such services to other affiliated companies, subsidiaries, or other operating divisions of Centel Corporation or to any non-affiliated companies.

Company states that Central Telephone - North Carolina would be charged monthly for the costs and expenses incurred by Company under the Agreement. Such costs and expenses include: employee expenses, payroll costs, cost of facilities used to provide services, telephone and other communications expenses, printing and postage expenses, stationary, machine rentals, and other miscellaneous expenses associated with providing the services.

The costs and expenses associated with the services provided would be charged to Affiliate on a direct bill basis. Exception time reporting would be used by employees performing the services, and direct reporting would be used for significant directly identifiable expenses related to the services. Where no direct measure of costs is practicable, costs and expenses would be attributed based on indirect measures of cost causation. The Agreement may be canceled as of the end of any calendar month by giving not less than thirty (30) nor more than ninety (90) days written notice. Company represents that by providing this service on a centralized basis, duplication of marketing costs would be avoided.

THE COMMISSION, upon consideration of the application and representations of Applicant and having been advised by its Staff, is of the opinion that the above-described arrangement would not be detrimental to the public interest and should be approved. Accordingly,

IT IS ORDERED:

1) That Central Telephone Company of Virginia is hereby authorized to enter into the Service Agreement for the provision of centralized telephone marketing of telephone services to Central Telephone Company of North Carolina under the terms and conditions and for the purposes as described herein;

2) That should any terms and conditions of the Service Agreement change from those described herein, Commission approval shall be required for such changes;

3) That the authority granted herein shall not preclude the Commission from exercising the provisions of §§ 56-78 and 56-80 of the Code of Virginia hereafter;

4) That the Commission 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, pursuant to § 56-79 of the Code of Virginia; and

5) That there appearing nothing further to be done in this matter, the same be, and it hereby is, dismissed.

CASE NO. PUA930006
APRIL 9, 1993

APPLICATION OF
DELMARVA POWER AND LIGHT COMPANY

For approval of the sale of utility assets

ORDER GRANTING AUTHORITY

On February 18, 1993, Delmarva Power and Light Company ("Delmarva," "Company," "Applicant") filed an application with the Commission under the Utility Transfers Act for approval of the sale of the Cape Charles Generating Plant and adjacent former substation property (the "Plant") to the Cape Charles Historical Society (the "Historical Society"). In its application, Company states that it currently owns a retired utility facility known as the Cape Charles Generating Plant and adjacent property on which substation equipment for the plant was formerly located. The Plant is located in Northampton County, Virginia, and it consists of a retired 1.6-MW oil-fired electric generating station and related auxiliary and electrical transmission facilities. The Plant is located on approximately 1.5 acres of land.

Delmarva proposes to sell the Plant to the Historical Society for use as a museum to display the components of the Plant itself and other artifacts related to the commercial and industrial development of the area. The Historical Society would not operate the Plant for purposes of producing, transmitting, or distributing electric energy for sale within the Commonwealth of Virginia or elsewhere. The consideration to be paid for the Plant is one dollar ($1.00). Company represents that the sale of the Plant would not impair or jeopardize Company's ability to provide adequate service to the public at just and reasonable rates.

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 transfer would not be detrimental to the public interest and should be approved. Accordingly,

IT IS ORDERED:

1) That Delmarva Power and Light Company is hereby authorized to sell the Cape Charles Generating Plant and adjacent property on which substation equipment for the plant was formerly located for the purposes and under the terms and conditions as described herein;

2) That Applicant shall file a report of the action taken pursuant to the authority granted herein on or before June 30, 1993; and

3) That this matter shall be continued generally subject to the continuing review, audit, and appropriate directive of this Commission.

CASE NO. PUA930007
MARCH 25, 1993

APPLICATION OF
CENTRAL TELEPHONE COMPANY OF VIRGINIA

For authority to advance funds to Central Telephone Company, an affiliate

ORDER GRANTING AUTHORITY

By Commission Order dated May 25, 1990, Central Telephone Company of Virginia ("Applicant", "Centel") was granted authority to advance funds to Central Telephone Company ("Central Telephone") through December 31, 1991. Such advances would be repayable at any time in whole or in part and would bear interest equal to the thirty (30) day commercial paper rate for high grade commercial paper sold through brokers as quoted in the first Wall Street Journal of each month in the "Money Rates" section. An extension of this authority through December 31, 1992, was granted by Commission Order dated January 6, 1992, in Case No. PUA900021.

On February 23, 1993, Centel filed an application with the Commission under the Public Utilities Affiliates Act for authority to continue to advance funds to Central Telephone on open account under the same terms and conditions and for the same purposes as previously authorized. Along with its application, Applicant filed a Report of Action showing loans to Central Telephone as well as borrowings from Central Telephone from October 1, 1991, through December 31, 1992. Advances to Central Telephone during this period totaled $2,523,403. Advance proceeds were used for construction expenditures, debt repayment and other general corporate purposes in accordance with the Commission's January 6, 1992 Order. The interest rates charged on such advances were in accordance with the authority granted.

THE COMMISSION, upon consideration of the application and representations of Applicant and having been advised by its Staff, is of the opinion that approval of the requested arrangement through December 31, 1993, would not be detrimental to the public interest. Accordingly,

IT IS ORDERED:

(1) That Applicant is authorized to advance funds to Central Telephone on open account under the same terms and conditions as authorized in Case No. PUA900021 through December 31, 1993;

(2) That should Applicant desire to continue such an arrangement beyond December 31, 1993, an application shall be filed with the Commission for subsequent approval;

(3) That 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) That 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) That Applicant shall file a Report of Action in connection with the authority granted herein on or before February 28, 1994; such Report to include a schedule of funds loaned to Central Telephone detailing the date of advance, amount, interest rate, date of repayment, and use of loan proceeds; a schedule of short-term borrowings by Centel showing the date of borrowing, amount, maturity, interest rate, and use of proceeds; and a balance sheet reflecting the action taken; and

6) That this matter shall be continued generally subject to the Commission's continuing review, audit, and appropriate directive.

CASE NO. PUA930009
MAY 24, 1993

APPLICATION OF
SHENANDOAH TELEPHONE COMPANY

For retroactive and current approval for banking services provided by an affiliate

ORDER GRANTING AUTHORITY

On April 7, 1993, Shenandoah Telephone Company ("Company," "Shenandoah," "Applicant") filed an application with the Commission under the Public Utilities Affiliates Act for retroactive and current approval for a checking account and other services from First National Bank ("First National," the "Bank") in Strasburg, Virginia. Company states in its application that retroactive approval is requested because until recently Company and First National were unaware that approval was required under the Public Utilities Affiliates Act for the transactions and arrangements undertaken.

Company represents that First National is an independent community bank providing banking services in the Northern Shenandoah Valley, including the Counties of Shenandoah, Warren, and Frederick, and the City of Winchester, Virginia. First National provides certain banking services to Shenandoah as well. Due to the fact that Shenandoah and First National have two directors in common, the entities are affiliates under Virginia Code § 56-76 and have been affiliates since March 13, 1979.

Shenandoah currently has a checking account with First National which it has held since February 1974, and a money market account which it has held since January 1983. Shenandoah's checking account is used in connection with a bill collection service provided by the Bank. Under this service, First National accepts payments and collects a "remittance page" from Shenandoah's customers. First National then credits Shenandoah's checking account with the amount of the payments received and sends the remittance pages to Company. Finally, Shenandoah has purchased Certificates of Deposit ("CDs") from the Bank and may continue to do so in the future. Shenandoah does not, however, currently have any CDs from First National.

Company states in its application that charges for all services provided to Shenandoah by First National, including fees for checking and money market accounts are competitive with those provided by non-affiliated banks in the Strasburg area. Also consistent with policies in the area, First National provides its bill collecting service at no charge. The interest rates earned by Shenandoah are competitive with those given by unaffiliated banks in the area as well. Shenandoah and First National represent that charges for all services to Shenandoah are the same as charges to non-affiliated customers and that no special arrangements have been or will be made for Shenandoah for charges or services.

Company also represents that services it receives from the Bank are on a month-to-month basis and can be canceled by either party at any time. Shenandoah further represents that it does not provide any services to the Bank other than local telephone service, and such service is provided in accordance with its lawfully filed tariff. Company represents that, in the future, Shenandoah and First National will promptly apply for Commission approval of their affiliated transactions before entering into them as required by the Public Utilities Affiliates Act.

THE COMMISSION, upon consideration of the application and representations of Applicant and having been advised by its Staff, is of the opinion that approval of the above-described transactions and arrangements both retroactively and currently would not be detrimental to the public interest. Accordingly,

IT IS ORDERED:

1) That Shenandoah is granted current approval and retroactive approval to January 1, 1983, for its money market account with First National;

2) That Shenandoah is granted current and retroactive approval for its checking account with First National to March 13, 1979, the date Shenandoah and First National became affiliated companies;

3) That Shenandoah is granted current and retroactive approval to March 13, 1979, for any Certificates of Deposit purchased from the Bank;

4) That 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;

5) That the Commission 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, pursuant to § 56-79 of the Code of Virginia; and

6) That there appearing nothing further to be done in this matter, the same be, and it hereby is, dismissed.

CASE NO. PUA930010
JULY 15, 1993

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For authority to sell public service corporation property

ORDER GRANTING AUTHORITY

On April 21, 1993, Virginia Electric and Power Company ("Virginia Power," "Company," "Applicant") filed an application with the Commission under the Utility Transfers Act for authority to sell public service corporation property to B-A-R-C Electric Cooperative ("BARC," "Cooperative").

Virginia Power proposes to sell and BARC has contacted Virginia Power expressing an interest in purchasing Virginia Power facilities located within BARC's assigned service territory which serve BARC's Bustleburg Delivery Point. The parties have agreed to a price of $168,952, which is equal to the present reproduction cost of the facilities less depreciation as estimated by Virginia Power. BARC would incur additional costs of approximately $10,749 for legal costs and installation costs associated with the transfer of property to Cooperative.

The proposed sale would include the facilities at the Bustleburg Substation served by the approximately .67 miles of115kV transmission line located in Rockbridge County, Virginia, being that portion of VEPCO's line located in BARC's assigned territory serving Cooperative's Bustleburg Delivery Point including land rights (easements) and thirteen (13) wood poles with all attachments, conductors, equipment, accessories, and appurtenances connected therewith.

In support of purchasing the facilities, BARC states that the purchase of the facilities would allow Cooperative to obtain a high voltage discount from Old Dominion Electric Cooperative, which is currently $1.17/kw and 1.90% on energy. An economic analysis was submitted by BARC which indicates that Cooperative would realize a first year savings from the high voltage discount of $42,427 and a simple payback of 3.5 years. The net cumulative present worth savings was estimated at $814,146 over a thirty (30) year study period.

THE COMMISSION, upon consideration of the application and representations of Applicant and Cooperative and having been advised by its Staff, is of the opinion that the above-described purchase and sale will not impair nor jeopardize adequate service to the public at just and reasonable rates and is in the public interest. Accordingly,

IT IS ORDERED:

1) That Virginia Power is hereby authorized to sell and BARC is authorized to purchase the above-described facilities under the terms and conditions and for the purposes as described herein;

2) That, on or before September 30, 1993, Applicant and Cooperative shall file a report of the action taken pursuant to the authority granted herein, such report to include the accounting entries reflecting the transaction; and

3) That this matter be continued generally, subject to the continuing review, audit, and appropriate directive of the Commission.

CASE NO. PUA930011
JUNE 23, 1993

APPLICATION OF
APPALACHIAN POWER COMPANY

For authority to receive cash advances from an affiliate

ORDER GRANTING AUTHORITY

On May 3, 1993, Appalachian Power Company ("APCO", "Applicant") filed an application under Chapter 4 of Title 56 of the Code of Virginia for authority to receive cash capital contributions from its parent, American Electric Power Company, Inc. ("AEP"). applicant proposes to receive, from time to time, up to $25,000,000 in cash capital contributions from AEP, subsequent to March 31, 1993 and prior to January 1, 1995.

The cash received will be applied by Applicant to its construction program, to repay short-term debt and for other proper corporate purposes. Applicant further represents that it desires to consummate the proposed transaction because the cash contribution will also provide an increase in the equity portion of its capital structure.

THE COMMISSION, upon consideration of the Application, and having been advised by its Staff, is of the opinion and finds, that approval of the proposed capital contribution will not be detrimental to the public interest. Accordingly,

IT IS ORDERED:

1) That Applicant is hereby authorized to receive up to $25,000,000 in cash capital contributions from AEP from the date of this Order through January 1, 1995, under the terms and conditions and for the purposes as outlined in the Application;

2) That Applicant shall submit a Preliminary Report of Action within ten days of receipt of each cash capital contribution, to include the date and amount of the contribution;

3) That Applicant shall submit a Final Report of Action on or before February 28, 1995, to include the date(s) and amount(s) of all capital contributions made pursuant to this Order, the use of the proceeds and a balance sheet reflecting the actions taken;

4) That 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 hereafter;

5) That approval of the application does not preclude the Commission from applying the provisions of Sections 56-78 and 56-80 of the Code of Virginia hereafter; and

6) That this matter shall be continued, subject to the continuing review, audit and appropriate directive of the Commission.

CASE NO. PUA930012
JUNE 3, 1993

APPLICATION OF
THE POTOMAC EDISON COMPANY

For authority to donate a parcel of land to the Shawnee Ruritan Club

ORDER GRANTING AUTHORITY

On May 12, 1993, The Potomac Edison Company ("PE," "Company," "Applicant") filed an application with the Commission under the Utility Transfers Act to donate a parcel of land to the Shawnee Ruritan Club. PE states in its application that in 1983, Company placed into operation its new Greenwood 137-12.47 KV substation to serve the Winchester, Virginia area. The completion of this new substation allowed Company to retire its existing East Winchester substation in 1989. Company presently owns the East Winchester substation property which comprises 2.254 acres along Virginia Route 656 in Frederick County, Virginia.

PE proposes to donate the property together with one small outbuilding located on the property to the Shawnee Ruritan Club subject to certain reserved rights of way for existing and planned electric facilities. The Shawnee Ruritan Club requested that the property be donated for use by Boy Scout Troop 63.

Applicant represents that the book cost of the parcel to be donated is $5,226.30. Company further represents that the property was appraised on February 4, 1993, and found to have a current market value of $31,500.00. Company represents that adequate service to the public at just and reasonable rates would not be impaired or jeopardized by the Commission's authorizing the disposal of this unneeded property.

THE COMMISSION, upon consideration of the application and having been advised by its Staff, is of the opinion that adequate service to the public at just and reasonable rates would not be impaired or jeopardized by the proposed transfer of property. Accordingly,

IT IS ORDERED:

1) That The Potomac Edison Company is hereby authorized to donate the 2.254 acre parcel of land situated on Virginia State Route 656 in Frederick County, Virginia, formerly the site of its East Winchester Substation to the Shawnee Ruritan Club as described herein;

2) That, on or before, July 30, 1993, Company shall file a report of the action taken pursuant to the authority granted herein, such Report to include the accounting entries reflecting the transfer; and

3) That this matter shall be continued generally, subject to the continuing review, audit, and directive of the Commission.

CASE NO. PUA930013
JULY 15, 1993

APPLICATION OF
THE CHESAPEAKE AND POTOMAC TELEPHONE COMPANY OF VIRGINIA

For authority to sell a building to an affiliate

ORDER GRANTING AUTHORITY

On June 2, 1993, The Chesapeake and Potomac Telephone Company of Virginia ("C&P," "Company," "Applicant") filed an application with the Commission under the Public Utilities Affiliates Act for authority to sell a building located in Chantilly, Virginia, to Bell Atlantic Mobile Systems ("BAMS"), an affiliate.

C&P represents in its application that in 1988, Company purchased real estate in Chantilly, Virginia, on which Company planned to construct a building to house a central office. Construction on the building began in 1989. This central office was to meet forecasted growth in the Chantilly and Herndon areas of Fairfax County, particularly large office parks forecasted in the area.

Company states that the recession began hitting Northern Virginia in 1990, and the commercial and industrial real estate markets in the area experienced rapid collapse. Reassessing a dramatically lowered forecast of growth in the area, C&P then determined that future growth in telephone access lines could be best accommodated by modification to an existing central office in Herndon rather than by buying a new switch for the Chantilly building. However, by that time, the building was nearly 90% complete. The building was then "mothballed."

After further reassessment of future space requirements in June 1992, Company decided to sell the building, and it was put on the market. Company states that this is a special use building with limited appeal to potential buyers. The only buyer expressing an interest in the building wanted to use it as a warehouse and was only willing to consider a price in the $200,000 range. The net book value of the property is approximately $4,000,000.

In 1992, Bell Atlantic Mobile Systems employed a broker to locate a building for it to house a cellular switch in the Northern Virginia area for BAMS cellular service in that area. The broker contacted C&P.

In its application, Company proposes to sell the building located at 3675 Chantilly Drive, Chantilly, Virginia, to BAMS at a price established by an independent appraisal of the property. No other buyer has indicated an interest in the property at the appraised value of $2,000,000, and according to C&P, the property has limited appeal as a commercial property because of the lack of parking and because of its specialized nature. Company proposes to sell the building to BAMS for $1,900,000.

Company proposes to remove the full net book cost of the property from its regulated books. The difference between the net book value of the property less the value of the net proceeds from the sale will be recorded as a Non-Operating Loss from the Disposition of Property in Account 7350. Company states that for reporting under the Commission's Alternative Regulation Plan, this difference will be recorded "below the line" and will have no impact on Applicant's regulated results. Company represents that the proposed sale will have no impact on its ratepayers, and the loss on the property will be borne by Company's shareholders.

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 sale would not be detrimental to the public interest and should be approved. Accordingly,

IT IS ORDERED:

1) That The Chesapeake and Potomac Telephone Company of Virginia is hereby authorized to sell the building referred to in the application to Bell Atlantic Mobile Systems at a price of $1,900,000 under the terms and conditions and for the purpose as described herein;

2) That the full net book cost of the property be removed from Applicant's regulated books and that for reporting under the Commission's Alternative Regulation Plan, the difference between the net book value of the property and the value of the net proceeds from the sale will be recorded "below the line" and, therefore, will have no impact on C&P's regulated results;

3) That the authority granted herein shall not preclude the Commission from applying the provisions of §§ 56-78 and 56-80 of the Code of Virginia;

4) That the Commission 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, pursuant to § 56-79 of the Code of Virginia;

5) That, on or before September 30, 1993, Applicant shall file a report of the action taken pursuant to the authority granted herein, such report to include the accounting entries reflecting the transaction; and

6) That this matter be continued generally subject to the continuing review, audit, and appropriate directive of the Commission.

CASE NO. PUA930014
OCTOBER 12, 1993

APPLICATION OF
VIRGINIA GAS DISTRIBUTION COMPANY

For authority to enter into agreements with affiliates

ORDER GRANTING AUTHORITY

On June 3, 1993, Virginia Gas Distribution Company ("Virginia Gas Distribution," "VGDC", "Company," "Applicant") filed an application under the Public Utilities Affiliates Act for authority to enter into agreements (collectively referred to as the "Agreements") with affiliates. In its application, Virginia Gas Distribution requests authority to enter into three contracts with affiliated entities.

The first contract for which Company requests approval is a Natural Gas Sales Agreement (the "Sales Agreement") which provides for the delivery and sale of natural gas by Virginia Gas Exploration Company ("Virginia Gas Exploration," "VGEC") to Virginia Gas Distribution. Virginia Gas Exploration Company is a wholly-owned subsidiary of Virginia Gas Company, which owns fifty per cent (50%) of the common stock of Virginia Gas Distribution. The second agreement is a Management Services Agreement (the "Management Agreement") which provides for the rendering of management services by Virginia Gas Company ("Virginia Gas," "VGC") to Virginia Gas Distribution. The third contract is a Gas Storage Testing Agreement (the "Storage Agreement") and provides for the storage of natural gas by Virginia Gas Storage Company ("Virginia Gas Storage," "VGSC") for the use of VGDC. Virginia Gas Company owns fifty per cent (50%) of the common stock of Virginia Gas Storage Company.

Company represents in its application that the Agreements will serve the public interest, and Virginia Gas Distribution's customers will benefit from the Agreements because the Agreements will allow Company to obtain natural gas supply, management services, and natural gas storage at competitive market rates. Company states that the affiliated companies will receive no unjust benefits that would harm its customers.

The Sales Agreement is for the sale and delivery of natural gas from Virginia Gas Exploration to Virginia Gas Distribution for the sales period from November 1, 1992, through November 1, 1997. The Sales Agreement provides for the deliveries of up to 1,000 MMBtu per day at a sales price that is linked to the market price of gas and the transportation rates of Tennessee Gas Pipeline Company ("TGP") and East Tennessee Natural Gas ("ETNG"). The actual pricing provision is as follows: Sales Price: "Inside FERC's Gas Market Report" Index delivered to Tennessee Gas Pipeline Company Louisiana (Zone 1) + Tennessee Gas Pipeline Company transportation, fuel, and surcharges to East Tennessee Natural Gas + East Tennessee Natural Gas transportation, fuel, and surcharges to Zone 3. The Sales Agreement may be terminated by either party prior to the five-year period by prior written notice to the other party with such termination being effective one hundred eighty (180) days following receipt of the termination notice.

The Management Agreement provides for the provision of management services to Virginia Gas Distribution from January 1, 1993, to December 31, 1993. Pursuant to the Management Agreement, employees directly employed on Virginia Gas Distribution projects would be billed to Company at VGC's cost, including salary, payroll taxes, benefits, and vehicle expense. According to the original Management Agreement, VGC would provide the following general and administrative services for Virginia Gas Distribution at a fixed monthly cost:

Certification with the State Corporation Commission ("SCC")	$7,000
Feasibility study for Lebanon, Virginia	3,000
Feasibility study for Grundy, Virginia	3,000
Management of Castlewood, Virginia system	2,000
	$15,000

On September 28, 1993, however, Company revised the above fixed monthly cost downward to $2,000 representing only the Management of Castlewood, Virginia system.

The Storage Agreement is for gas storage service with Virginia Gas Storage Company on an interim basis for an initial period from June 1, 1993, to May 31, 1994, while VGSC tests the Early Grove field for its suitability for conversion to storage. During the initial period, the Storage Agreement contains specific rates for storage ($1.45 per MMBtu), injection ($.05 per MMBtu), and withdrawal ($.05 per MMBtu). The Storage Agreement also gives Virginia Gas Distribution, for a period of five (5) years, first option to purchase any storage capacity that becomes available should VGSC convert the Early Grove field to storage after testing. The rates for storage service after the testing period would be arrived at by mutual agreement but in no event exceed ninety five per cent (95%) of rates charged by TGP and/or ETNG.

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 Agreements would not be detrimental to the public interest and should be approved. The Commission is of the further opinion, however, that should Company decide to exercise its option to purchase any storage capacity that becomes available should VGSC convert the Early Grove field to storage after testing, that a separate application for authority to enter into such arrangement shall be filed with the Commission. Accordingly,

IT IS ORDERED:

1) That Virginia Gas Distribution Company is hereby authorized to enter into the Natural Gas Sales Agreement with Virginia Gas Exploration Company for the sale and delivery of natural gas for the sales period from November 1, 1992, through November 1, 1997, under the terms and conditions and for the purposes as described herein;

2) That Virginia Gas Distribution Company is hereby authorized to enter into the Management Services Agreement with Virginia Gas Company for the provision of management services from January 1, 1993, to December 31, 1993, under the terms and conditions and for the purposes as described herein;

3) That Virginia Gas Distribution Company is hereby authorized to enter into the Gas Storage Testing Agreement with Virginia Gas Storage Company for the provision of gas storage services during the testing period from June 1, 1993 to May 31, 1994, under the terms and conditions and for the purposes as described herein, except that should Company decide to exercise its option to purchase any storage capacity that becomes available in the event VGSC converts the Early Grove field to storage after testing, a separate application shall be filed with the Commission for authority to enter into such arrangement;

4) That should Applicant desire to continue the Agreements beyond the time periods authorized herein, subsequent approval shall be required from the Commission;

5) That should any terms and conditions of the Agreements change from those described herein, Commission approval shall be required for such changes;

6) That 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;

7) That the Commission 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) That, on or before November 30, 1993, Applicant shall file with the Commission a revised Management Services Agreement reflecting the revised monthly cost as described herein; and

9) That this matter shall be continued generally subject to the continuing review, audit, and appropriate directive of this Commission.

CASE NO. PUA930015
DECEMBER 15, 1993

APPLICATION OF
NORTHERN VIRGINIA ELECTRIC COOPERATIVE

For approval of a proposed purchase and sale of electric distribution facilities

ORDER GRANTING APPROVAL

Northern Virginia Electric Cooperative ("NOVEC," "Applicant," "Cooperative") has filed an application with the Commission under the Utility Transfers Act for approval of a proposed purchase and sale agreement between NOVEC and the City of Manasass, Virginia, (the "City," "Manassas"). Pursuant to an Electric Distribution Facilities Agreement dated January 26, 1993, NOVEC has agreed to sell, convey, and transfer, and the City has agreed to purchase and acquire certain electric distribution facilities (the "Facilities") owned by NOVEC within the corporate limits of the City. Cooperative states in its application that the Facilities will not include certain facilities, rights of way, easements, and substation sites as shown in Exhibit B to Appendix A to the application. NOVEC will also convey and assign to the City certain right of way interests associated with the Facilities.

The purchase price to be paid by the City to Cooperative is ONE MILLION SEVEN HUNDERED SIXTY-FOUR THOUSAND AND 00/100 DOLLARS ($1,764,000.00), which includes recovery of lost revenue from the consumer accounts associated with the Facilities for 2.5 years in the amount of ONE MILLION FOUR HUNDRED EIGHTY THOUSAND AND 00/100 DOLLARS ($1,480,000.00). The City will pay to NOVEC by certified or cashier's check the sum of TWO HUNDRED EIGHTY-FOUR THOUSAND AND 00/100 DOLLARS ($284,000.00) at closing. The balance of the purchase price will be paid in five (5) equal annual installments of principal each in the amount of TWO HUNDRED NINETY-SIX THOUSAND AND 00/100 DOLLARS ($296,000.00).

In its application, Cooperative recognizes that, pursuant to § 56-265.4:2 of Chapter 10.1 of Title 56 of the Code of Virginia, the conveyance by NOVEC of the Facilities and the affected customers requires Commission amendment to Cooperative's Certificate of Public Convenience and Necessity. This amendment will reflect the resulting reduction in service territory.

Company states that the sale and conveyance of the Facilities and the related easements will enable the City to furnish substantially all electric utility service throughout the City of Manassas, including portions of previously annexed areas and will neither impair nor jeopardize adequate service to the public at just and reasonable rates.

The Agreement also provides for the purchase by NOVEC of certain utility assets owned by the City, such purchase being in connection with Cooperative's proposed Woods Substation Site to be located within the City. NOVEC proposes to purchase the assets for SEVENTY THOUSAND AND 00/100 DOLLARS ($70,000.00), determined by mutual agreement of the value of the land area and facilities in place.

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 approval of the proposed purchase and sale of electric distribution facilities between NOVEC and the City of Manassas, Virginia, as described herein would neither impair nor jeopardize adequate service to the public at just and reasonable rates and, therefore, should be approved. Accordingly,

IT IS ORDERED:

1) That Northern Virginia Electric Cooperative is hereby granted approval of the conveyance by Applicant to the City of Manassas, Virginia, of the Facilities and the Related Easements pursuant to the terms of the Electric Distribution Facilities Purchase Agreement as described herein;

2) That Applicant is hereby authorized to amortize the recovery of lost revenue from the consumer accounts associated with the Facilities over ten (10) years subject to change by the Commission in subsequent rate cases;

3) That NOVEC is hereby granted approval of the purchase by NOVEC from the City of certain utility assets as described in the application;

4) That, on or before February 28, 1994, Applicant shall file a report of the action taken pursuant to the authority granted herein, such Report to include all accounting entries reflecting the transactions approved herein; and

5) That this matter shall be continued generally subject to the continuing review, audit, and appropriate directive of the Commission.

CASE NO. PUA930016
SEPTEMBER 29, 1993

APPLICATION OF
UNITED TELEPHONE - SOUTHEAST, INC.

For approval of a proposed agreement with an affiliate

ORDER GRANTING AUTHORITY

On June 28, 1993, United Telephone - Southeast, Inc. ("United," "Company," "Applicant") filed an application with the Commission under the Public Utilities Affiliates Act for approval of a Partner Program Agreement (the "Agreement") with Sprint Publishing & Advertising, Inc. ("SPA," "Affiliate") pursuant to which SPA would act as agent for United in the sale of United's intraLATA 800 telecommunications service when contacting business customers within United's service area in Virginia. According to the Agreement, SPA would sell Company's Opportunity 800 service when Affiliate's employees or agents contact business customers during a canvass for yellow page advertisements. The Opportunity 800 services would be sold at rates set forth in United's tariffs on file with the Commission. Customers who request interLATA 800 service would be provided a list of carriers and requested to separately arrange for such service. SPA would receive a commission on the sale of United's Opportunity 800 services of $75.00 for each new customer signed up by SPA who remains a customer for at least thirty (30) days. The Agreement is for a term of six (6) months.

United states that customers would receive personal contact and timely information by combining the sale of yellow page advertising with intraLATA 800 service. United states that this would enhance sales of its tariffed service, and therefore,United's ratepayers would not be adversely affected by the arrangement.

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 approval of the above-described arrangement for a trial period of six (6) months from the date of this Order would not be detrimental to the public interest. Accordingly,

IT IS ORDERED:

1) That United Telephone - Southeast, Inc. is hereby authorized to enter into the Partner Program Agreement with Sprint Publishing & Advertising, Inc. under the terms and conditions and for the purposes described herein for a period of six (6) months from the date of this Order;

2) That should any of the terms and conditions of the Agreement change from those contained herein, Commission approval shall be required for such changes;

3) That should Applicant desire to continue the Agreement beyond six (6) months from this Order date, Commission approval shall be required to continue operating under the Agreement;

4) That the authority granted herein shall not preclude the Commission from exercising the provisions of §§ 56-78 and 56-80 of the Code of Virginia hereafter;

5) That the Commission 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; and

6) That there appearing nothing further to be done in this matter, the same be, and it hereby is, dismissed.

CASE NO. PUA930017
SEPTEMBER 17, 1993

APPLICATION OF
VIRGINIA NATURAL GAS, INC.

For authority to enter into intercompany agreements

ORDER GRANTING AUTHORITY

On June 29, 1993, Virginia Natural Gas, Inc. ("VNG," "Company," "Applicant") filed an application with the Commission under the Public Utility Affiliates Act for authority to enter into certain agreements with CNG Transmission Corporation ("Transmission," "Affiliate") for the transportation of natural gas by Transmission to VNG and (2) for the transitional filling of storage capacity to be acquired by VNG from Transmission pursuant to Federal Energy Regulatory Commission ("FERC") Order 636.

VNG proposes to enter into a Service Agreement Applicable to Transportation of Natural Gas Under Rate Schedule TF (the "Service Agreement") for transportation of 5,000 decatherms per day (dthd) from Texas Eastern Transmission Corporation receipt points on Transmission's pipeline.

Company states in its application that, as the VNG gas distribution system continues to experience customer growth, VNG has determined that incremental peak day gas supply to serve projected firm customer demand growth requirements for the 1993-94 winter period will require a 5,000 dthd increase in VNG's current 30,000 dthd of firm capacity on the Transmission system.

Company represents in its application that on February 9, 1993, VNG forwarded to Transmission a request for transportation service in accordance with procedures contained in Transmission's FERC-approved tariff for gas to be delivered at the interconnection of the VNG and Transmission pipeline systems at Quantico, Virginia, effective November 1, 1993. VNG was notified that the capacity was currently available, that no construction of additional facilities would be required, and that it was first in Transmission's queue for the requested capacity. However, a second party requested from Transmission the same capacity sought by Company, and this second party was willing to execute a contract for that capacity effective June 1, 1993. VNG states that because available capacity on the Transmission system must be offered on a non-discriminatory, first come-first served basis, it was necessary for Transmission to offer the contract for service to VNG immediately with an effective date no later than July 1, 1993, rather than November 1, 1993. Thus, the procedure under Transmission's tariff which requires the proposed purchaser of the capacity to respond within thirty (30) days was triggered on June 1, 1993. This was the date on which Transmission forwarded to VNG the Service Agreement which requires an effective date no later than July 1, 1993. Company states that it was, therefore, unable to file the application in a more timely manner.

Company states that the capacity for which it is requesting approval is an increment to that capacity previously approved by Commission Order dated April 12, 1993, in Case No. PUA920022. It differs only in identification of receipt points and the term of the Service Agreement. VNG indicates that because it requires 5,000 dthd of additional firm transportation service from Transmission for the 1993-94 winter period to ensure reliability of supply to its firm customers, and because Transmission's FERC-approved tariffs require the execution of a contract for that capacity within thirty (30) days of it being made available on a non-discriminatory, first come-first served basis, it will be necessary for VNG to execute the Service Agreement, subject to the approval of this Commission but without the approval having first been obtained.

VNG also proposes to enter into a Transition Agreement with Transmission by which VNG will arrange to fill during the 1993 summer storage refill season that storage capacity which it will acquire from Transmission upon implementation of FERC Order 636.

Company states that in its Order 636 Compliance Filing to FERC in Docket RS92-14 on November 2, 1992, Transmission sought an effective date of April 1, 1993, for its implementation of Order 636 in order to provide sales customers whose capacity was to be converted to a combination of firm transportation and storage capacity sufficient time in which to refill the newly acquired storage capacity prior to the 1993-94 winter period. Although FERC has not yet acted on Transmission's Compliance Filing, a Stipulation and Agreement (the "Settlement") filed with FERC on March 31, 1993, provides that VNG will acquire the contractual rights to 286,500 dth of additional storage capacity VNG is to acquire under the Settlement now in order for the gas to be available to VNG to serve customer requirements for the 1993-94 winter period. The Transition Agreement has been proposed by Transmission as a means for customers to begin refill of Order 636-related storage capacity additions pending FERC approval of the Settlement.

According to information contained in the application, Transmission originally circulated an initial draft of the Transition Agreement to all its customers on May 13, 1993. Upon receiving comments and suggestions from its customers, Transmission forwarded a final signature document to Company on May 24, 1993, requiring its execution no later than June 7, 1993, thus eliminating the opportunity to secure Commission approval in advance.

VNG states in its application that the Transition Agreement has been offered to each customer who will be acquiring additional capacity on the Transmission system pursuant to Order 636. The Transition Agreement will permit customers, including VNG, to transport gas into Transmission's system in excess of that which Transmission will redeliver to its customers. This excess delivery will equate on a daily basis to the quantity of gas the customer would have been permitted to inject into storage if FERC had approved Transmission's restructuring plan effective April 1 as requested. Customers will not be charged by Transmission for transportation of this gas on the Transmission system. Also, resulting imbalances will not be subject to Transmission's normal imbalance correctional provisions.

VNG states that if FERC does not approve a restructuring plan for Transmission in time for it to be implemented on or prior to November 1, 1993, then its customers, including VNG, agree to sell the imbalance quantity accrued under the Transition Agreement to Transmission effective November 1, 1993, at a price that equates to the weighted average cost of the gas to the customers for the period May 1, 1993, to the restructuring implementation date, plus the cost associated with transportation of the gas to the Transmission system and any applicable taxes other than income taxes.

The Transition Agreement will also make available to VNG transportation capacity upstream of the Transmission system to facilitate the delivery of storage refill quantities to the Transmission system by VNG. If VNG chooses to avail itself of this opportunity, it must also execute an agency agreement with Transmission which will enable Transmission to credit Company's payment of Transmission sales service demand charges to the purchase of its upstream pipeline capacity.

Company states that although Transmission anticipated making a smooth transition to providing restructured services early in 1993 to provide its customers adequate time to refill storage acquired in the restructuring, FERC approval of either Transmission's Order 636 compliance proposal or the Settlement has not yet been obtained. It was, therefore, necessary to make other arrangements to protect the reliability of supply for Transmission customers.

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 intercompany agreements would not be detrimental to the public interest and should be approved. Accordingly,

IT IS ORDERED:

1) That Virginia Natural Gas, Inc. is hereby authorized to enter into the Service Agreement and the Transition Agreement with Transmission under the terms and conditions and for the purposes as described herein;

2) That should any of the terms and conditions of the Service Agreement or the Transition Agreement change from those describe herein, Commission approval shall be required for such changes;

3) That the authority granted herein shall not preclude the Commission from exercising the provisions of § 56-78 and § 56-80 of the Code of Virginia;

4) That the Commission 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, pursuant to § 56-79 of the Code of Virginia; and

5) That there appearing nothing further to be done in this matter, the same be, and it hereby is, dismissed.

CASE NO. PUA930020
SEPTEMBER 29, 1993

APPLICATION OF
PEOPLES MUTUAL TELEPHONE COMPANY

For approval of a lease agreement with an affiliate

ORDER GRANTING AUTHORITY

On July 21, 1993, Peoples Mutual Telephone Company ("Peoples Mutual," "Company," "Applicant") filed an application with the Commission under the Public Utilities Affiliates Act for approval of a Lease Agreement (the "Agreement") with an affiliate, the Brown Family Trust ("Affiliate").

In its application, Peoples Mutual requests approval of a Lease Agreement for the lease of a building to be used as office space to remedy the current overcrowded office and accounting space. Once Company determined that additional space was needed, a building which had been used as a bank branch across the street from Company's current building became available. Since Company was in the midst of a rebuilding program and had not included a building purchase in its projections, Applicant determined that a lease would be preferable to a purchase at this time.

Peoples Mutual proposes to lease the building owned by the Brown Family Trust for a period of ten (10) years with two five-year renewable periods thereafter at the following rates: $800 per month for the first five years, $900 per month for the second five years, $1,000 per month for the first five-year option, and $1,167 per month for the second five-year option. Company states that the lease rates were determined on advice of local real estate agents.

The building to be leased provides 1,701 square feet on a lot of 16,000 square feet with approximately 7,500 square feet of paved parking. The space was complete with handicapped access, a walk-in vault, and a drive-up window. Company expects to charge the rent to the operation of the Commercial Department - Account 6620.

Company advised that when negotiations were begun, it was not anticipated that Commission approval would be required for the lease. Approval was required, however, since the trustee of the Brown Family Trust, owner of the building, owns 21.07% of the stock of Peoples Mutual Telephone Company.

Under the Lease Agreement, Company would be responsible for all maintenance expenses, utilities, personal property taxes, and insurance. Company would also be responsible for up to twenty five percent (25%) of the cost of any roof replacement or structural repairs or alterations or modifications. It is assumed here that any such repairs would be necessitated by the use or misuse of the building by Company, or by the request of Company, and therefore, Peoples Mutual should pay part of those costs.

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 lease arrangement would not be detrimental to the public interest and should be approved. Accordingly,

IT IS ORDERED:

1) That Peoples Mutual Telephone Company is hereby authorized to enter into the Lease Agreement as described herein;

2) That should there be any changes in the terms and conditions of the Lease Agreement from those contained herein, Commission approval shall be required for such changes;

3) That the authority granted herein shall not preclude the Commission from exercising the provisions of §§ 56-78 and 56-80 of the Code of Virginia;

4) That the Commission 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, pursuant to § 56-79 of the Code of Virginia; and

5) That there appearing nothing further to be done in this matter, the same be, and its hereby is, dismissed.

CASE NO. PUA930021
DECEMBER 10, 1993

JOINT APPLICATION OF
UNITED TELEPHONE-SOUTHEAST, INC.
AND
CENTRAL TELEPHONE COMPANY OF VIRGINIA

For approval of an affiliate agreement

ORDER GRANTING APPROVAL

United Telephone-Southeast, Inc. ("United") and Central Telephone Company of Virginia ("Central"), collectively referred to as "Applicants," have filed an application with the Commission under the Public Utility Affiliates Act for approval of an Agreement for the Provision of Telemarketing Services (the "Agreement") under which United will act as agent for Central in the sale of Central's Custom Calling Services (the "Services"). Under the Agreement, United's telemarketing division will provide centralized telemarketing of Central's Custom Calling Services, both Basic and Custom Calling II Services. Applicants represent that Central will be able to utilize the existing resources of United's in-place telemarketing department and will obtain a measure of quality not available from outside parties. Applicants represent further that unnecessary duplication of costs will be avoided as a result of the Agreement.

Under the Agreement, United will market Central's Custom Calling Services to existing and potential subscribers in the various areas of Virginia served by Central. The objective of United's marketing efforts will be to obtain the subscriber's verbal authorization to add one or more of Central's Custom Calling Services to the customer's telephone service while properly representing to the subscriber the functionality and prices of the Services.

Pursuant to the Agreement, Central will pay a monthly compensation to United for the services performed under the Agreement. Such monthly compensation will be equal to the Total Number of Telemarketing Hours performed by United during the preceding month, multiplied by the relevant Price per Telemarketing Hour for each category of service. The relevant Price per Telemarketing Hour will be based on the market price for such services and will cover United's cost of providing the Services.

THE COMMISSION, upon consideration of the application and representation of Applicants and having been advised by its Staff, is of the opinion that the above-described arrangement would not be detrimental to the public interest. The Commission is of the further opinion, however, that approval should be limited to the initial one-year period and that any renewals or extensions of the Agreement should require subsequent Commission approval. This would allow for more effective monitoring of the Agreement. Accordingly,

IT IS ORDERED:

1) That United Telephone-Southeast, Inc. and Central Telephone Company of Virginia are hereby granted approval of the Agreement for the Provision of Telemarketing Services under the terms and conditions as described herein for the initial one-year period from the date of this Order;

2) That any changes in the terms and conditions of the Agreement from those described herein shall require Commission approval;

3) That any renewals or extensions of the Agreement shall require Commission approval;

4) That 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) That the Commission 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 pursuant to § 56-79 of the Code of Virginia; and

6) That there appearing nothing further to be done in this matter, the same be, and it hereby is, dismissed.

CASE NO. PUA930022
SEPTEMBER 29, 1993

APPLICATION OF
VIRGINIA NATURAL GAS, INC.

For authority to sell public utility assets

ORDER GRANTING AUTHORITY

On August 2, 1993, Virginia Natural Gas, Inc. ("VNG," "Company," "Applicant") filed an application with the Commission under the Utility Transfers Act for authority to transfer by Special Warranty Deed to the Commonwealth of Virginia ("Department of Transportation") a certain piece or parcel of land situated in the City of Norfolk, Virginia, and representing a portion of the Corporate Headquarters property of VNG.

The property to be disposed of consists of a narrow strip of land located along the south boundary line of Company's property and parallel with Virginia Beach Boulevard. It is no more than fifty (50) feet in width and approximately 690 feet in length. The property is located

almost entirely within the tidal confines of Broad Creek and adjacent wetlands. The property is sought by Department of Transportation in connection with the widening of Virginia Beach Boulevard in the vicinity of Company's Headquarters property. The parties have agreed on a sales price of $2,882. In the absence of a voluntary sale of the property, Company understands that the Commonwealth of Virginia will proceed to condemn the property. The sale will result in a loss on Company's books of $17,399.55.

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 transfer of public utility assets would neither impair nor jeopardize adequate service to the public at just and reasonable rates and should be approved. Accordingly,

IT IS ORDERED:

1) That Virginia Natural Gas, Inc. is hereby authorized to transfer to the Commonwealth of Virginia ("Department of Transportation") the public utility assets as described herein for the price of $2,882;

2) That, on or before November 30, 1993, Applicant shall file a report of the action taken pursuant to the authority granted herein, such report to include the accounting entries reflecting the transfer; and

3) That this matter shall be continued generally, subject to the continuing review, audit, and appropriate directive of this Commission.

CASE NO. PUA930023
SEPTEMBER 10, 1993

PETITION OF
LDDS COMMUNICATIONS, INC.,
METROMEDIA COMMUNICATIONS CORPORATION
AND
RESURGENS COMMUNICATIONS GROUP, INC.

For authority to effect a merger

ORDER GRANTING AUTHORITY

On August 25, 1993, LDDS Communications, Inc., ("LDDS") Metromedia Communications Corporation, ("Metromedia") and Resurgens Communications Group, Inc. ("Resurgens") (collectively referred to as "Petitioners") filed a petition with the Commission pursuant to the Utility Transfers Act, Chapter 5 of Title 56 of the Code of Virginia, for authority to merge. The resulting merged Corporation will be known as LDDS Communications, Inc. Petitioners have sought expedited approval because they plan to consummate the proposed merger no later than September 14, 1993.

The current LDDS Communications, Inc. is a publicly held Tennessee Corporation whose principal offices are located at 515 East Amite, Jackson, Mississippi 39201. It is the parent Company of a number of subsidiaries that resell domestic and international long distance service. Because the operating subsidiaries of LDDS Communications, Inc. operate as resellers of services offered by facilities-based carriers, none holds a certificate of public convenience and necessity pursuant to the Utility Facilities Act, Chapter 10.1 of Title 56 of the Code of Virginia.

Resurgens Communications, Inc. is a publicly held Georgia Corporation whose principal offices are located at 2210 Resurgens Plaza South, 945 East Paces Ferry Road, N.E., Atlanta, Georgia 30326. Resurgens has a wholly-owned subsidiary, Com Systems, Inc., which offers alternate operator services and long-distance services within Virginia as a reseller, not as a facilities-based carrier. Consequently, it does not hold a certificate of public convenience and necessity pursuant to the Utility Facilities Act.

Metromedia Communications Corporation is a privately held, Delaware Corporation whose principal offices are located at One Meadowlands Plaza, East Rutherford, New Jersey 07073. It has a subsidiary, Metromedia Communications Corporation of Virginia, ("MCC of VA"), which offers Inter-LATA, interexchange services within Virginia pursuant to Certificate No. TT-4D issued pursuant to the provisions of Section 56-265.4:4 B of the Utility Facilities Act. The acquisition or disposal of this certificated carrier as a result of the merger of the three holding companies invokes the jurisdiction of the Commission pursuant to Section 56-88.1 of the Utilities Transfers Act.

Petitioners have sought authority for their merger and under the criteria under Section 56-90 of the Utility Transfers Act, the Commission finds that such authority should be granted. Section 56-90 requires that the Commission be satisfied ". . . that adequate service to the public at just and reasonable rates will not be impaired or jeopardized . . . ." The acquisition of control of an interexchange, Inter-LATA carrier the size of MCC of VA will not impair or jeopardize adequate service, at just and reasonable rates. The market for interLATA long-distance service within Virginia is quite competitive. Even in the unlikely event that MCC of VA, under the control of the newly merged holding company, suffered a lapse of quality or increased rates to levels deemed unjust and unreasonable, affected customers could readily switch to a competitive carrier. The proposed merger is intended to strengthen MCC of Va and cannot jeopardize or impair service or rate levels in the overall long distance market.

By letter received August 30, 1993, counsel for Petitioners modified that portion of the Petition that stated MCC of VA would be merged out of existence by merging into its new parent company. MCC of VA is chartered as a Virginia public service corporation pursuant to the provisions of Title 13.1 of the Code of Virginia. Merging it out of existence and into a foreign corporation would violate Article IX, Section 5 of the Virginia Constitution which prohibits foreign corporations from conducting a public service enterprise within the Commonwealth. Petitioners acknowledge that the Virginia public service corporation subsidiary must be kept intact to retain its certificate of public convenience and necessity and to avoid the prohibition of Article IX, Section 5 of the Virginia Constitution. Accordingly,

IT IS THEREFORE ORDERED:

(1) That the disposition and acquisition of MCC of VA, as described herein, is approved;

(2) That LDDS Communications, Inc., Metromedia Communications Corporation, and Resurgens Communications Group, Inc. are authorized to enter into their proposed merger pursuant to Chapter 5, Title 56 of the Code of Virginia and to do all acts necessary or incidental thereto in accordance with the petition filed herein;

(3) That LDDS Communications, Inc., Metromedia Communications Corporation, and Resurgens Communications Group, Inc. shall respond promptly to any Staff request for information in connection with this matter and to the quarterly monitoring reports required by the Commission's Rules Governing the Certification of InterLATA, Interexchange Carriers;

(4) That a report of action, pursuant to the authority granted herein, shall be filed no later than October 15, 1993; and

(5) That 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. PUA930028
DECEMBER 13, 1993

APPLICATION OF
VIRGINIA NATURAL GAS, INC.

For extension of authority to conduct spot gas purchase transactions with affiliates

ORDER GRANTING AUTHORITY

On October 29, 1993, Virginia Natural Gas, Inc. ("VNG,""Company," "Applicant") filed an application under the Public Utilities Affiliates Act for extension of authority granted in Case No. PUA900056 to conduct spot gas purchase transactions with its affiliates, CNG Producing Company ("Producing") and CNG Gas Services Corporation ("Gas Services"), collectively referred to as "Affiliates." By Commission Order dated November 21, 1990, in that case, VNG was granted authority to enter into spot gas purchase transactions with its affiliates, CNG Producing Company and CNG Gas Services Corporation, for a period of three years from the date of the Commission's Order. The authority was granted under certain conditions to ensure that gas purchased from VNG's affiliates represents the lowest cost among the alternative bids available for the volumes desired. The Order in that case stated that should VNG desire to continue the arrangement beyond the three-year approval period, subsequent Commission approval would be required.

VNG proposes to continue the above-described arrangement with its affiliates under the same terms and conditions and requests that the authority granted in Case No. PUA900056 be extended for another three years commencing with the expiration date of the current order, November 21, 1993. Since the Commission's November 21, 1990 Order, Company has filed the required reports pursuant to the Commission's Order showing affiliate purchases made and pertinent information regarding those purchases. Company states that even though the reports show only two purchases made from the Affiliates since the authority was granted, Company desires that the arrangement be continued. In reports filed by VNG since the November 21, 1990 Order, Company has shown that bids have been solicited from affiliates and non-affiliates and that when affiliate purchases have been made, such purchases represented the lowest delivered-to-VNG cost among the bids received.

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 continuation of the above-described arrangement for making spot gas purchase transactions under the same terms and conditions and for the same number of years as authorized in Case No. PUA900056 would not be detrimental to the public interest and should be approved. Accordingly,

IT IS ORDERED:

1) That VNG is hereby authorized to continue for a period of three years its current arrangement for conducting spot gas purchase transactions with CNG Producing Company and CNG Gas Services Corporation under the same terms and conditions as that authorized in Case No. PUA900056 commencing November 21, 1993, the date Company's current authority expired;

2) That the authority granted herein shall be subject to the conditions that bids are solicited from non-affiliates and affiliates, that the affiliate can provide the quantity of gas needed and can provide reliable delivery, and that the delivered-to-VNG cost, including applicable transportation charges, represents the lowest cost among the bids received for the volumes desired;

3) That should Applicant desire to continue the above-described arrangement beyond the authorized three-year period, subsequent Commission approval shall be required;

4) That the authority granted herein shall in no way assure Company recovery of such costs in the PGA/ACA and shall have no other ratemaking implications;

5) That the authority granted herein shall not preclude the Commission from exercising the provisions of §§ 56-78 and 56-80 of the Code of Virginia hereafter;

6) That the Commission 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, pursuant to § 56-79 of the Code of Virginia;

7) That Applicant shall continue to file a report with the Commission by April 1 of each year, the final of which shall be filed on or before April 1, 1997, showing, where affiliate purchases have been made, spot market bids to VNG to include the suppliers submitting bids, quoted bid price, and delivered-to-VNG price, as well as the bids accepted and the quantity of gas purchased for the preceding calendar year; and

8) That this matter shall be continued generally subject to the continuing review, audit, and appropriate directive of this Commission.

DIVISION OF COMMUNICATIONS

CASE NO. PUC880042
APRIL 1, 1993

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION

Ex Parte, In Re: Investigation of pricing methodologies for intrastate access service

ORDER AUTHORIZING CHANGES IN DIGITAL DATA SERVICE AND DS-1 HIGH CAPACITY SERVICE ACCESS RATES

On February 17, 1993, the Commission entered its Order Inviting Comments on or before March 19, 1993, concerning access service tariff revisions proposed by the Chesapeake and Potomac Telephone Company of Virginia ("C&P"). On February 23, 1993, the Commission entered its Amending Order changing the March 19 date to March 26, 1993.

Comments were received from two parties, Virginia MetroTel, Inc. ("MetroTel") and MCI Telecommunications Corporation ("MCI"). Neither party objected to the proposed tariff changes.

MetroTel urged the Commission to initiate in a separate proceeding an in-depth review of the costing methodology underlying rates charged by regulated local exchange companies for competitive and potentially competitive services. The Commission notes that such an investigation was undertaken for access services in Case No. PUC870012 (Final Order dated May 18, 1988).

MCI highlighted the disparity between the proposed access prices and the underlying costs and questioned C&P's proposed reclassification of these services to the Actually Competitive category as part of the Commission's review of its Experimental Plan in Case No. PUC920029. The Commission will consider these comments in that proceeding.

Having considered the comments submitted herein, and having been advised by the Staff that the proposed rates are above long-run incremental costs, the Commission is of the opinion that the tariff revisions should be allowed to take effect as proposed on April 1, 1993. ACCORDINGLY,

IT IS THEREFORE ORDERED:

(1) That the access service tariff revisions of C&P Telephone should be allowed to take effect on April 1, 1993; and

(2) That this case is continued generally for the consideration of any other access pricing matters.

CASE NO. PUC890014
FEBRUARY 3, 1993

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION

Ex Parte: In the matter of allocating costs pursuant to paragraph 22 of the Experimental Plan for Alternative Regulation of Virginia Telephone Companies

ORDER APPROVING 1990 ALLOCATION CHANGES FOR CENTEL

On January 29, 1993, the Commission Staff filed its audit of Central Telephone Company of Virginia's ("Centel") cost allocation manual for the test year 1990. The Commission has reviewed the report and finds that the changes recommended therein are appropriate. The Commission is of the opinion that Centel should adopt the recommended changes and incorporate them into its 1989 and 1990 allocations as indicated by the Staff Report. Centel has filed its Annual Informational Filings ("AIF") for the test years 1989 and 1990. The Commission Staff shall assure that those filings conform to the recommended cost allocation changes. Accordingly,

IT IS THEREFORE ORDERED:

(1) That Centel implement the changes recommended in the Staff Report for both 1989 Cost Allocation Manual and its 1990 Cost Allocation Manual; and

(2) That Centel shall provide Staff with documentation by no later than February 17, 1993, demonstrating that all of the changes on th list attached to the Staff Report of January 29, 1993 have been properly implemented.

CASE NO. PUC890014
JULY 15, 1993

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION

Ex Parte: In the matter of allocating costs pursuant to paragraph 22 of the Experimental Plan for Alternative Regulation of Virginia Telephone Companies

ORDER APPROVING 1989 ALLOCATION CHANGES FOR CONTEL OF VIRGINIA, INC.

On June 23, 1993, the Commission Staff filed its Supplemental Report of the audit of 1989 cost allocation manual for Contel of Virginia, Inc., doing business as GTE of Virginia ("Contel"). The Commission has reviewed the report and finds that the changes recommended therein are appropriate.

Accordingly, IT IS THEREFORE ORDERED that Contel implement the changes recommended in the Staff's supplemental report and promptly provide its revised 1989 AIF data to the Staff. At that time, Contel should provide Staff with documentation demonstrating that all of the changes recommended in the supplemental report have been properly implemented.

Commissioner Moore is not participating in the decision of this case.

CASE NO. PUC900045
OCTOBER 22, 1993

APPLICATION OF
THE CHESAPEAKE & POTOMAC TELEPHONE COMPANY OF VIRGINIA

Annual Informational Filing

FINAL ORDER

On May 14, 1992, the Chesapeake and Potomac Telephone Company of Virginia ("C&P") filed its motion to make rates permanent for the 1989 test year. That motion was filed in response to an AIF Report filed by the Commission Staff February 12, 1992. Because of cost allocation problems, it was necessary that the Staff supplement its AIF Report. That supplement, which superseded and replaced the February 12, 1992 Report, was filed May 4, 1993.

By Order of May 4, 1993, the Commission prescribed notice and invited comments or requests for hearing concerning C&P's motion. Comments were filed by C&P, the Division of Consumer Counsel, Office of the Attorney General ("Attorney General"), the Virginia Citizens Consumer Counsel ("VCCC"), MCI Telecommunications of Virginia, Inc. ("MCI"), and AT&T Communications of Virginia, Inc. ("AT&T").

By order of July 2, 1993, the Commission scheduled a hearing for September 23, 1993, and established deadlines for C&P to file its testimony in support of its motion, for MCI, AT&T, VCCC, and the Attorney General to file their prepared direct testimony, for the Commission Staff to file any additional direct testimony, and for C&P to file any rebuttal testimony. The hearing was conducted as scheduled September 23, 1993. Warner F. Brundage, Esquire and Lydia Pulley, Esquire appeared on behalf of C&P; Edward L. Petrini, Esquire appeared on behalf of the Attorney General; Wilma R. McCarey, Esquire appeared on behalf of AT&T; James C. Dimitri, Esquire appeared on behalf of MCI; Kenworth E. Lion, Jr., Esquire appeared on behalf of VCCC; and Robert M. Gillespie, Esquire appeared on behalf of the Commission Staff.

The Commission received into evidence C&P's proof of publication marked as Exhibit A, C&P's Cost Allocation Manual, and Commission Staff audits of C&P's Cost Allocation Manuals dated July 25, 1991, September 4, 1992, and May 3, 1993. C&P presented the direct testimony of John A. Pehta, together with the direct and rebuttal testimony of J. Robert Cross. The Commission Staff presented the direct testimony of Kimberly D. Trimble of the Commission's Division of Public Utility Accounting, Donna T. Pippert of the Division of Economics and Finance, and Larry J. Cody of the Division of Communications.

This proceeding was conducted pursuant to the terms of paragraph 20 of the Commission's Experimental Plan for Alternative Regulation of Virginia Telephone Companies. The sole issue was to determine if C&P had earned in excess of its authorized range of return on Potentially Competitive, Discretionary and Basic services for the year 1989. The authorized range of return on equity for all participants in the Experimental Plan is 12 to 14 percent. The rate of return statement introduced by Mr. Cross on behalf of C&P showed a return on equity for 1989 of 12.35 percent. The rate of return statement sponsored by Ms. Trimble on behalf of the Commission's Staff showed a return on equity of 12.52 percent. That difference resulted from a single disagreement about the proper accounting treatment for separations according to Part 36 of the Rules of the Federal Communications Commission. The Commission need not address which interpretation of Part 36 is more correct. Either result shows a return on equity for 1989 well beneath the 14 percent limit established by paragraph 18 of the Experimental Plan. Accordingly, the Commission finds that during the year 1989, C&P's tariffed services earned less than its authorized maximum return on equity. Accordingly,

IT IS THEREFORE ORDERED:

(1) That C&P's rates for the year 1989 are hereby made permanent for that year only. Such rates are no longer subject to refund as provided in paragraph 19 and 20 of the Experimental Plan; and

(2) That 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.

Commissioner Moore did not participate in this proceeding.

CASE NO. PUC910026
SEPTEMBER 16, 1993

APPLICATION OF
CONTEL OF VIRGINIA, INC, d/b/a GTE VIRGINIA

For authority to conduct an experiment in its Harrisonburg service area

FINAL ORDER

On July 10, 1991, Contel of Virginia, Inc. d/b/a GTE Virginia ("Contel") filed its application seeking authority to conduct a voluntary experimental service offering of "Caller ID" to certain customers in its Harrisonburg service area, pursuant to the provisions of § 56-234 of the Code of Virginia. Before Caller ID was offered pursuant to tariff in the Harrisonburg area, Contel proposed a voluntary experiment to gather information on three different versions of Caller ID. The first was a typical version currently offered in various parts of Virginia which merely displays the telephone number of the calling instrument. The second version displayed only the name of the person who subscribed to the calling telephone instrument. The third version displayed not only the calling telephone number but also the name of the person subscribing to that number.

The experiment was conducted as Contel had proposed and the findings of the experiment were filed August 23, 1993. As might be expected, participants indicated that they would be willing to pay a premium for Caller ID that delivered both the name and number of the caller.

With the filing of that report, the Commission is of the opinion that this docket may be closed.

Accordingly, IT IS THEREFORE ORDERED that this matter is closed and the papers filed herein shall be placed in the file for ended causes.

CASE NO. PUC910040
FEBRUARY 17, 1993

APPLICATION OF
VIRGINIA RSA #2 LIMITED PARTNERSHIP, d/b/a CENTEL CELLULAR COMPANY

For a certificate to provide cellular mobile radio communications in Rural Service Area Virginia 2

ORDER AMENDING CERTIFICATE

By Order on Reconsideration entered January 14, 1992, the Commission granted Certificate No. C-55 to United Inter-Mountain Telephone Company ("United" or "Company") pending the creation of a limited partnership of which United would be the general partner. By letter of August 13, 1992, the Commission was advised that a Delaware limited partnership had been created named Virginia RSA #2 Limited Partnership ("the Partnership") and that United was in fact the general partner. The letter requested that the name of the Partnership be substituted in place of United on the certificate.

The Commission is of the opinion that the request should be granted. Accordingly,

IT IS THEREFORE ORDERED:

(1) That Certificate No. C-55 previously granted to United Inter-Mountain Telephone Company is hereby cancelled, to be reissued as Certificate No. C-55a in the name of Virginia RSA #2 Limited Partnership; and

(2) That 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. PUC920029
OCTOBER 18, 1993

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION

Ex Parte: In the matter of evaluating the Experimental Plan for Alternative Regulation of Virginia Telephone Companies

OPINION

On June 18, 1993, the Commission entered an interlocutory order extending the Experimental Plan an additional six months, until December 31, 1993. By its terms, the Experimental Plan was to expire at the conclusion of its fourth year, December 31, 1992. Originally, the Commission granted a six-month extension by order entered August 14, 1992. Before entering that order, the Commission invited comments from interested parties and received them from the Central Telephone Company of Virginia, the Office of the Attorney General, Division of Consumer Counsel, and from the Chesapeake and Potomac Telephone Company of Virginia ("C&P").

The original six-month extension was granted because of the ". . . importance of financial earnings in the Commission's evaluation of the Experimental Plan. . . ." See page 1 of order of August 14, 1992. The importance of the companies' financial earnings in evaluating the Plan was again the chief reason for the additional six-month extension. As stated in that order, "the Commission is only now receiving comments concerning the 1989 Annual Informational filing ("AIF") of the Chesapeake and Telephone Company of Virginia."

The entire reason for conducting the telephone experiment that was implemented January 1, 1989 was and is to gather information that can aid the Commission in determining the proper regulation for certain telephone services in an emerging competitive environment. As stated in the preamble to the Experimental Plan:

> The objective of this Plan is to determine to the extent possible, the degree of competitive freedom that local telephone companies may be afforded that is consistent with the overall public interest and with the duty of such companies to provide economical telephone services of a monopoly nature.

The Commission would be remiss if it allowed the Experimental Plan to expire before a proper evaluation is conducted. Such a course would create uncertainty for both telephone consumers and companies, which could harm the public interest. A minimal additional extension of the Plan simply preserves the status quo and avoids this uncertainty.

The essential factors had not changed since the Commission's order of June 26, 1992, inviting comments on the first extension. The Commission required additional time to review AIFs that had only recently been completed by the companies in accordance with cost allocation procedures. The Commission's reasons for the first extension also support the additional six-month extension.

The Commission is now prepared to move forward with a hearing in this matter on November 3, 1993. Following that hearing, the Commission will have a record from which it can derive its evaluation and fashion any necessary changes to the Experimental Plan and, pursuant to provisions of § 56-235.5 of the Code of Virginia, implement it or terminate it. This will allow a smooth transition from the current Experimental Plan.

By contrast, had the Commission not granted the additional six-month extension, a hiatus would have occurred July 1, 1993, during which the five participating telephone companies would have been returned to full rate base/rate of return regulation for a period of six months while the Experimental Plan was being evaluated. Shortly thereafter, customers and companies would have been subject to the result of the Commission's evaluation of the Plan in this case. In the space of a few months, customers and telephone companies could have been subject to three different regulatory plans. Instead of creating such an instability in our policy, we chose to preserve the status quo for a small additional time.

Commissioner Moore took no part in this matter.

CASE NO. PUC920029
DECEMBER 17, 1993

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION

Ex Parte: In the matter of evaluating the Experimental Plan for Alternative Regulation of Virginia Telephone Companies

FINAL ORDER

I.

PROCEDURAL HISTORY

This case was established June 23, 1992, to evaluate the Commission's Experimental Plan for Alternative Regulation of Virginia Telephone Companies ("Plan") as contemplated by Paragraphs 4 and 26 of the Plan, 1988 SCC Ann. Rept. 249 (Final Order, Case No. PUC880035, Dec. 15, 1988). On June 30, 1992, the five participating local exchange telephone companies ("LECs") filed their Review Report critiquing the Plan and offering suggestions for improvements in the future. By Order of August 14, 1992, the Commission extended the Plan for an additional six months, until June 30, 1993, in order to allow the evaluation of financial earnings pursuant to Paragraph 16 of the Plan.

By Order of October 27, 1992, the Commission invited comments from interested parties concerning the Review Report. Comments were received from the Fairfax County Board of Supervisors, the Public Interest Coalition, Sprint Communications Company L.P., the American Association of Retired Persons, the Virginia Citizens Consumer Council, AT&T Communications of Virginia, Inc., MCI Telecommunications Corporation, the Division of Consumer Counsel, Office of the Attorney General ("Attorney General"), the Virginia Burglar and Fire Alarm Association, and the Chesapeake and Potomac Telephone Company of Virginia ("C&P").

On June 18, 1993, the Commission entered an order extending the Plan for an additional six months, until December 31, 1993.

By Order of July 2, 1993, the Commission prescribed notice and set an evidentiary hearing for November 3, 1993. That same order called for the filing of a Staff Report evaluating the Plan, permitted interested parties to raise issues to be addressed at the hearing, and permitted participants to prefile direct testimony to be submitted at the hearing. The hearing commenced November 3, 1993, and continued through November 8, 1993.

At the conclusion of the hearing, the Commission directed the filing of post-hearing briefs. By Order of November 14, the deadline foı briefs was extended to November 22, 1993.

On December 2, 1993, a late-filed Motion for Leave to Intervene as a Protestant and for New Hearing was filed by the Virginia Cable Television Association, Adelphia Communications, Continental Cablevision, Inc., Cox Cable Hampton Roads, Inc., and Media General Cable of Fairfax County (collectively referred to as "Cable Companies"). That motion was followed by a Petition in Support of Motion for New Hearing filed by AlterNet of Virginia on December 9, 1993. Both Motions alleged that, from the terms of the notice of this proceeding, the only purpose of this docket was to evaluate the Experimental Plan and not to implement a new permanent alternative regulatory plan.

Prior to these filings, the Attorney General, both in opening statements and in brief, had also urged that the public notice in this case was not adequate for implementation of a new plan pursuant to Va. Code § 56-235.5 of the Code.

II.

THE PLAN AND CHANGES IN THE TELECOMMUNICATIONS INDUSTRY

When the Plan was implemented January 1, 1989, it was already clear that the telecommunications industry was undergoing significant change. Indeed, Paragraph 26 of the Experimental Plan stated that the purpose for evaluating the Plan was:

> to provide an informed basis upon which the Commission can design and execute subsequent policy and predicate future action in appropriate response to the competitive and technological forces which are then identified as impacting the field of communications and information transfer.

Changes have occurred at an even more rapid pace, however, than could have been anticipated in 1988. Recent examples include the accelerating pace of mergers occurring between the cable television and telephone industries, as well as the emergence of competitive access providers for long distance services.

Even in the face of rapid changes such as these, it is clear from this record that the Plan has been a success. At its inception, the Plan resulted in a significant rate reduction, and rate stability has been maintained at these levels, even in the face of continued inflation, throughout the Plan's history. The Plan has helped the LECs adapt to emerging competition for more and more services during the past five years. Industry witnesses testified that the Plan had encouraged their companies to invest in infrastructure, see Ex. HRS-5 and Ex. DWM-25. Ratepayers have benefited from the stability of basic rates and the introduction of innovative new services. Even though a recession has existed during much of the time the Plan has been in effect, telephone subscribership is at a record level among Virginia citizens. While the companies have reduced their operating expenses, service quality has not deteriorated.

Indisputably, the Plan has been successful, and it is now time to conclude the experiment and move forward. While the Plan has met the needs of telecommunication regulation to the present, the new day dawning in this industry warrants consideration of other possible responses in the future.

III.

MOVING FORWARD

The question at this point is what the next step should be, given the record developed in this case, the fact that the current Plan is slated to expire two weeks from now, and the allegations raised concerning the adequacy of the notice given of these proceedings, as described above.

Our Order for Notice and Hearing, entered in this case on July 2, 1993, specified that the notice was to read, in pertinent part, as follows:

> NOTICE BY THE STATE CORPORATION COMMISSION OF ITS EVALUATION OF ITS EXPERIMENTAL PLAN FOR ALTERNATIVE REGULATION OF VIRGINIA TELEPHONE COMPANIES
>
> CASE NO. PUC920029
>
> On January 1, 1989, the State Corporation Commission adopted its Experimental Plan For Alternative Regulation of Virginia Telephone Companies. Pursuant to paragraph 26 of the Plan, the participating telephone companies have filed a report evaluating the Plan and seeking changes in it. The Commission Staff will prepare an analysis of the Plan.

As our order of October 6, 1993, in this case said, that notice was adequate to apprise interested persons that this proceeding would be "considering suggested changes for implementation January 1, 1994, to the current Experimental Plan," and that "this docket would not only evaluate the Experimental Plan but also consider modifications" to it. Order Denying Motion for Clarification, at 1-2, (Oct. 6, 1993).

Supporting this conclusion is the fact that the notice quoted above states that participating companies have filed a report evaluating the Plan, pursuant to its Paragraph 26. As previously noted, that paragraph says that the purpose of such reports is:

> to provide an informed basis upon which the Commission can design and execute subsequent policy and predicate future action in appropriate response to the competitive and technological forces which are then identified as impacting the field of communications and information transfer.

Thus, persons reading this notice and, by reference, Paragraph 26, must be charged with the knowledge that this proceeding was for the purpose of taking action in the future with regard to the appropriate regulatory methods to be applied to this industry. This conclusion would have been reinforced by the other passages in the notice, that the companies reporting on the Plan were also "seeking changes in it," and that "the Staff will prepare an analysis of the Plan," presumably to provide guidance for the future.

We are inclined to agree with C & P, when it says, in its response to the above motions, that to hold that no potential for future action was sufficiently announced by our notice would mean that the Commission had undertaken "this time-consuming, costly, lengthy and contentious proceeding focusing only on the past . . . with no intent to formulate future policies, refine the Plan, or implement alternatives." Opposition of C&P to Motions, at 5 n. 11 (Dec. 14, 1993). We cannot subscribe to any reading of the notice which would constrain us to such an academic exercise for no useful purpose.

While we are therefore confident that the notice given in this case supports our taking significant and meaningful action with regard to the ongoing regulation of Virginia telephone companies, there remains the more narrow question, raised by these motions, as to what precise future action that notice would justify here.

Those pleadings contend that our notice would not support the implementation of a permanent plan in this proceeding, particularly a permanent plan formulated and developed under the auspices of Va. Code § 56-235.5, which became effective July 1, 1993.

In response to this argument, we could trivialize this proceeding by holding that the only purpose expressed in our notice was to consider implementing changes to the current Plan which would be effective only for its remaining life, through the end of this month. This we will not do. We would not have put this agency and the parties hereto to these extensive efforts for such a minimal and short-term objective.

Neither we will let the Plan expire at the end of this year, thus causing a return to traditional regulatory methods. To do so, given the major changes taking place in this industry, the clear intent expressed by the General Assembly in giving us authority under Va. Code § 56-235.5 to consider and adopt new regulatory measures to respond to these developments, and the need for continuity and consistency in telecommunications regulation, would be counter-productive and irresponsible in our view.

Rather, the Commission will take two steps, one in this case and one in a new docket, which we believe will allow thorough consideration, on a prompt basis, of new regulatory proposals and alternatives, in the manner envisioned by Va. Code § 56-235.5, and, in the meantime, will provide responsible and effective regulation for those telephone companies currently subject to the Plan.

First, early next week we will open a separate docket, Case No. PUC930036, to provide explicit public notice, opportunity for discovery and an evidentiary hearing in April, 1994, under the provisions of Va. Code § 56-235.5. As a result of the extensive record developed in this case, the Commission has been able to develop a proposal for a new regulatory alternative for Virginia telephone companies, which will be appended to that order, and hereto, as Attachment A, and this proposal will be considered as a part of that new case. However, that case will be open for

consideration of much more than our own proposed plan. It will also be the vehicle for examining other regulatory proposals and alternatives, such as price caps, reclassification of competitive services pursuant to Va. Code § 56-235.5(G), and the alteration of cost allocations which were developed in Case No. PUC890014.

Second, the existing Plan, which is currently scheduled to expire December 31, 1993, will be extended and modified in this proceeding to conform to Attachment A, effective January 1, 1994. This modified Plan will continue in effect until the Commission takes final action in Case No. PUC930036. That action, of course, may result in the adoption of Attachment A on a permanent basis, or the implementation of other alternatives, depending on the record developed in that case.

Because we have determined to continue our inquiry into the proper response to changes in the communications industries, we will deny the motions for late intervention filed by the Cable Companies and AlterNet. There is no reason for their intervention in this case because Case No. PUC930036 will permit them an ample and early opportunity to pursue their interests before us. We will not hesitate to alter the modified Plan if the record in that later proceeding justifies changes.

Attachment A preserves the fundamentals of the current Plan, with some significant changes that were developed on the record. It is important to note that rates will remain interim under the extended and modified Plan, subject to refund if an AIF determines noncompetitive earnings were excessive in any prior period. However, AIFs for the calendar years 1989-1993 will be evaluated under the provisions of the original Plan, not by the terms of Attachment A.

Significant changes in the modified Plan are: (1) one fourth of Yellow Pages advertising's income available for common equity will be attributed to noncompetitive services, and (2) the range of allowed return on equity will be based upon the 30-year Treasury bond yield, as increased by an appropriate risk premium.

IV.

SERVICE CLASSIFICATION

Services classified as Actually Competitive as of July 1, 1993, will remain classified as Competitive under the modified Plan pursuant to Va. Code § 56-235.5(F) while Case No. PUC930036, which will afford an opportunity for considering potential reclassification of those services, is underway. Paragraph 6 is essentially that which the Commission Staff proposed in its post-hearing brief. The definition of Competitive services focuses on the presence of other providers reasonably meeting the needs of customers.

We do not now determine whether Yellow Pages is a competitive service. Thus, it presently remains classified as it was on the effective date of the new statute, as the LECs contend it should be.

It is clear, though, that the same statute does not forbid the treatment we afford this issue here. That is because Va. Code § 56-235.5(E) recognizes that, even after a service is classified as competitive, a second question remains as to how that service should be treated for regulatory purposes. As the statute notes, competitive services may be deregulated, detariffed, or regulated in some other modified fashion, as we find appropriate.

As our Staff's report relates (pp. C-7 to C-8), at the inception of the Plan, there was a major competitor attempting to enter the market in Yellow Pages. It sought to produce a volume of Yellow Pages type advertising, as an alternative to the telephone company book, in two of the three major metropolitan areas of the state. The Plan assumed that this form of Yellow Pages competition would develop. It has not, on any effective basis, leaving only smaller, less than complete substitutes. (Staff Report, p. C-7; Tr. 635.)

Nevertheless, there is ample evidence in this record that other media (radio, television and newspapers for example) compete for some of the same advertising dollars as the telephone company Yellow Pages. (See e.g., Exh. GH-31; Tr. 716-19.) We believe, however, that the form of the Yellow Pages book insulates some fraction of those dollars from any possibility that other media can acquire them. Yellow Pages revenues may go up or down due to competition from other media, but are not likely to be so depleted as to make such media a complete substitute for Yellow Pages.

Thus, Yellow Pages is subject to a unique market structure. There is, and has always been, competition for revenues from advertisers among telephone company Yellow Pages and other media. As a result, Yellow Pages advertising rates have never been regulated, and we see no justification in this record to begin dictating these rates.

However, it is apparent that the unique form of the Yellow Pages publication produced by the telephone companies is made possible by a ready availability of information from the regulated side of the business. This relationship insulates a part of the revenues from Yellow Pages advertising from effective inroads by other media. Because this protection is closely related to the regulated activities of the company, we have concluded that regulated customers should receive some of the benefits derived by the telephone companies from Yellow Pages operations.

The modified Plan recognizes that all Yellow Pages advertising derives benefits from its association with the local exchange service provider. We will continue to treat Yellow Pages advertising as competitive for pricing and all other purposes of the modified Plan, but in order to recognize the benefits derived by the Yellow Pages operation from local exchange services, 25 percent of the Yellow Pages income available for common equity will be attributed to revenues derived from noncompetitive services.

Our treatment of Yellow Pages here gives the LECs full pricing freedom for this highly-profitable service, as before; only the regulatory treatment afforded the resulting revenues will differ from previous practice under our modified Plan.

Paragraph 9 of Attachment A adopts the Staff's proposed language that permits individual case base pricing, with safeguards for services other than Basic. Paragraph 17 similarly adopts the Staff's proposal for revenue neutral price restructuring.

As noted in the modified Plan, rates for discretionary service may be increased, but only under certain safeguards. These provisions will protect customers from unreasonable rate increases, and they will also allow the LECs the opportunity to accomplish needed rate changes without having to exit the Plan.

V.

CAPITAL STRUCTURE AND COST OF EQUITY

The return on equity currently permitted in the Plan is 12-14 percent. We have concluded that the data in the record do not support a need to modify that range retroactively for the period 1989-93. There is little doubt, however, as evidenced by the decline in interest rates recently, that returns under the Plan should be allowed to fluctuate in the future.

Company witness Vander Weide evaluated financial data for 1989-1993 and testified that the cost of equity generally had remained constant during that period. (Exh. JHVW-35, pp. 28-29; Tr. 791-92). We disagree with him somewhat, because there have been recent declines in the cost of capital. However, we do not believe those declines justify changing the Plan retroactively since the declines occurred late in the period.

Our decisions in other utility rate cases reflect the timing of this decline in the cost of equity, as demonstrated by our authorized returns on equity. It was not until well into 1992 that any of our decisions fixed authorized returns on equity below 12-13 percent for other major utilities. See Virginia Electric and Power Co., Case No. PUE910047, 1992 S.C.C. Ann. Rep., 291 at 294 (December 1992). While we recognize a declining cost of equity late in the Plan period, we do not find it so great as to require redress retroactively; nor is it inconsistent with our prior decisions.

In order for the modified Plan's total cost of capital to reflect adequately the capital markets in the future, however, changes in the cost of equity capital must be taken into account, just as changes in a company's cost of debt are now recognized.

Several options for adjusting the range prospectively were offered during the hearing. Basically, we believe we have two choices. We can either determine the return on equity today and adjust it periodically in a formal proceeding, or we can develop an index to automatically adjust the return to reflect future market conditions. Given the streamlined nature of the Plan, we do not believe that periodic formal proceedings to determine the allowed return on equity are the best option. Rather, the public interest would be best served by developing an index to respond without delay to the realities of the financial markets.

Staff suggested such a formula, based upon the risk premium approach. This theory is founded upon the simple premise that investors require a higher return on investments in common stock than on debt instruments, due to the greater risk inherent in stocks. The Staff recommended calculating the cost of equity for the upcoming calendar year based on market information for the months of September, October, and November. Specifically, the average yield on 30-year Treasury bonds would be calculated for those months, and a risk premium range would be added to that average yield. The resulting range would be used as the allowed return on equity for the next calendar year, and companies participating in the Plan would be notified annually of the applicable range.

We agree that a formula approach such as that suggested by the Staff is a reasonable way in which to determine the allowed return on equity under the Plan. However, modifications are needed to gauge better the allowed return on equity.

As in most such determinations, judgment is needed to arrive at an estimate of the market-required return on an investment. We adopt Staff's recommendation on the calculation of the interest rate component of the risk premium formula. This calculation is straightforward and can be readily observed. Determining the appropriate risk premium range requires more judgment. For the sake of simplicity, Staff suggested a constant range of 2-4 percent, but acknowledged that there appears to be an inverse relationship between the risk premium and the level of interest rates. Although this relationship is difficult to quantify, the observation that such a relationship exists appears accurate. Indeed, a review of our decisions on the cost of equity capital over the past two decades relative to interest rate trends reveals a narrowing of the risk premium in times of high and volatile interest rates, and a widening of the premium as interest rates fall. We believe that it is appropriate to incorporate such a relationship in the index to be used to determine the allowed return on equity for telephone companies operating under the modified Plan.

Numerous views on the risk premium range applicable to both current and past interest rates were offered at the hearing. In order to develop an index which adjusts the allowed return to changes in interest rate levels, we need a starting point. We believe that a risk premium range of 2.5-4.5 percent applicable to a yield on 30-year Treasuries of approximately 10 percent is a reasonable starting point. Over the past twenty years, these yields have reached levels well above that figure and, of course, well below, but have, on the average, approximated 10 percent. The next step is to adjust the 2.5-4.5 percent range to current market conditions. To do this, we will apply an inverse relationship between the Treasury yield and the risk premium, consistent with the view that the risk premium changes 50 basis points for each one percentage point change in the Treasury yield in the opposite direction. This relationship is debatable, with estimates ranging above and below it. On balance, however, we believe it is reasonable for the purposes of the modified Plan until we conclude newly-instituted Case No. PUC930036. A table calculated in accordance with these principles would yield the following results:

TREASURY BOND RATE	RISK PREMIUM
0 - 2.49%	6.5 - 8.5%
2.50 - 3.49%	6.0 - 8.0%
3.50 - 4.49%	5.5 - 7.5%
4.50 - 5.49%	5.0 - 7.0%
5.50 - 6.49%	4.5 - 6.5%
6.50 - 7.49%	4.0 - 6.0%
7.50 - 8.49%	3.5 - 5.5%
8.50 - 9.49%	3.0 - 5.0%
9.50 - 10.49%	2.5 - 4.5%
10.50 - 11.49%	2.0 - 4.0%
11.50 - 12.49%	1.5 - 3.5%
12.50 - 13.49%	1.0 - 3.0%
13.50 - 14.49%	.5 - 2.5%
14.50 - AND ABOVE	0 - 2.0%

Based on the average 30-year Treasury constant maturity bond yield of 6.05 percent for the months of September, October, and November of 1993, the currently applicable risk premium range is 4.5-6.5 percent. Therefore, beginning January 1, 1994, the allowed return-on-equity range will be 10.55 to 12.55 percent. This risk premium spread and allowed return-on-equity range incorporate our recognition that the telecommunications industry is in a period of transition that has increased its level of risk. We read daily about new entrants and new partnerships intending to provide traditional and futuristic telecommunications services. This industry has deviated far from what was once a traditional monopoly, and our regulation must reflect that change. The General Assembly implicitly recognized these same developments, in our view, when it enacted Va. Code § 56-235.5.

The allowed return-on-equity range, calculated in accordance with the table above, will be used in conjunction with a LEC's actual capital structure and cost of senior capital to determine the overall cost of capital. Some parties in the case suggested it is necessary to adjust the capital structure in order to recognize differences in business or financial risk between various LEC lines of business or between the risk of a LEC and its parent. We do not adopt that view here. However, we are prepared to revisit this issue in Case No. PUC930036.

The allowed return-on-equity range from the table above will also be used to evaluate earnings if a company requests a rate increase while remaining in the Plan, in accordance with paragraph 17.

Should this principle be adopted on a permanent basis as a result of Case No. PUC930036, the allowed return on equity would be adjusted annually, as described above. Thus, the companies' concerns about their inability to make proper planning decisions would be satisfied.

VI.

CONCLUSIONS

The Commission commends the efforts of all parties who participated in the November hearings. The extensive record that was developed has made it possible to implement the modified Plan shown in Attachment A on January 1, 1994. We invite all parties to participate fully in the new proceeding under Va. Code § 56-235.5, so that further changes can be considered and a fair and effective permanent regulatory program can be developed from the combined efforts of all affected parties. Accordingly,

IT IS THEREFORE ORDERED:

(1) That the Plan previously scheduled to expire on December 31, 1993, is hereby modified as set forth on Attachment A hereto, effective January 1, 1994, and it shall continue in effect until the Commission completes its consideration in Case No. PUC930036.

(2) 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.

Commissioner Moore did not participate in this matter.

NOTE: A copy of Attachment A entitled "Modified Plan for Alternative Regulation of Virginia Local Exchange Telephone 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. PUC920032
JANUARY 19, 1993

APPLICATION OF
K. J. PAGING, INC.

For a certificate to provide radio common carrier services throughout the Commonwealth

FINAL ORDER

On July 17, 1992, K. J. Paging, Inc. ("KJ" or "Applicant") filed an application pursuant to § 56-508.6 of the Code of Virginia and the Commission's Rules Governing Radio Common Carrier Services, 1990 SCC Ann. Rept. 245 (February 26, 1990) for a certificate to provide radio common carrier service throughout the Commonwealth. Initially, service would be offered in the areas of Northern Virginia adjacent to Washington, D.C.

By order of November 24, 1992, the Commission directed KJ to provide notice to Virginia's existing radio common carriers and to officials of the cities, towns and counties in which service will initially be offered. That same order provided that a public hearing would be scheduled only if objections to the application were received.

The deadline for objections was January 8, 1993. That date has passed and no objections have been filed. KJ has filed proof of notice as directed by the Commission's Order of November 24, 1992. The Commission Staff has no objection to granting the requested authority. Having considered the application and the lack of objections from other radio common carriers, governmental officials, or the Commission Staff, the Commission is of the opinion that the application should be granted. Pursuant to the terms of § 56-508.6 of the Code of Virginia, and the RCC Rules, KJ should be granted a certificate to provide radio common carrier services throughout the Commonwealth. Accordingly,

IT IS THEREFORE ORDERED:

(1) That KJ is granted Certificate No. RCC-169, authorizing it to provide service throughout the Commonwealth. Initially, service will be offered in the areas of Northern Virginia adjacent to Washington, D.C.; and

(2) That there being nothing further to come before the Commission, this docket is closed and the record developed herein shall be placed in the file for ended causes.

CASE NO. PUC920039
JANUARY 29, 1993

APPLICATION OF
RADIO CALL COMPANY OF VIRGINIA, INC.

To amend its certificate of convenience and necessity and for the cancellation of the certificate of public convenience and necessity held by E-Z Page, Inc.

FINAL ORDER

On October 7, 1992, Radio Call Company of Virginia, Inc. ("Radio Call") and E-Z Page, Inc. ("E-Z Page") submitted an application to the Commission which was styled as an application for approval of acquisition of assets of radio common carrier. While the application was submitted pursuant to the provisions of the Utility Transfers Act, Chapter 5 of Title 56 of the Code of Virginia, the Commission is of the opinion that said Act does not apply to radio common carriers such as Radio Call and E-Z Page. Accordingly, this matter has been assigned Case No. PUC920039 and will be treated as an application to cancel the certificate of public convenience and necessity held by E-Z Page and to note that Radio Call has assumed that service.

The application advises the Commission that Radio Call will purchase the assets and FCC authorizations of E-Z Page. Radio Call already has the authority to provide radio common carrier services throughout the Commonwealth and the addition of the assets received from E-Z Page will expand their service offerings from the area near Bristol, Virginia, to include areas of Tidewater, Virginia, where E-Z Page had been serving. No modifications need to be made to the statewide certificate of Radio Call other than the filing of appropriate service territory maps to indicate the areas where it now offers service. Upon consummation of the purchase, the certificate, No. RCC-153, currently held by E-Z Page will be cancelled to indicate that they have ceased to provide service. Accordingly,

IT IS THEREFORE ORDERED:

(1) That this matter is docketed and assigned Case No. PUC920039;

(2) That the certificate of public convenience and necessity, No. RCC-153, previously granted to E-Z Page, Inc. shall be cancelled when the Division of Communications is notified that Radio Call has completed the purchase; and

(3) That there being nothing further to come before the Commission, this docket is closed, and the record developed herein shall be placed in the file for ended causes.

CASE NO. PUC920040
SEPTEMBER 7, 1993

APPLICATION OF
CENTRAL TELEPHONE COMPANY OF VIRGINIA, INC.

For authority to provide extended area calling from its Stanardsville Exchange to its Charlottesville Exchange

FINAL ORDER

On November 3, 1992, Central Telephone Company of Virginia, Inc. ("Centel" or "the Company") filed an application seeking authority to implement extended area calling ("EAC") from its Stanardsville Exchange to its Charlottesville Exchange. The Company's proposal would increase the local rates paid by all Stanardsville subscribers but also would enable these customers to call the Charlottesville Exchange at a price approximately 75% lower than current toll rates to that exchange.

In its application, the Company represented that it had mailed to its customers in the Stanardsville Exchange a copy of its proposal together with a ballot to be returned to Centel expressing approval or disapproval. Ballots were mailed to 4,345 customers, and 54% of the ballots were returned to the Company. Of the ballots returned, 68% favored the EAC proposal.

In its December 23, 1992 Order Prescribing Notice, the Commission docketed the proceeding, ordered Centel to publish notice of its application, and invited the public to file written comments or requests for hearing with the Commission on or before March 3, 1993. The Commission also directed its Division of Communications ("the Staff") to investigate the reasonableness of the proposed EAC service offering and the comments received thereon and report its findings to the Commission.

On March 2, 1993, Centel filed proof of its notice to the public. By March 3, 1993, the Commission had received a number of comments opposing the application.

In its Report dated March 15, 1993, the Staff explained that Centel filed its application in response to requests from its Stanardsville customers. It noted that EAC was measured rate two-way calling between two or more exchanges on a seven digit dialing basis. It explained that EAC rates were applied in the same manner as intrastate toll, but were discounted approximately 75%. It observed that a number of comments were received opposing Centel's EAC proposal.

After consideration of the public comments and the Staff's Report filed herein, the Commission issued an Order on April 7, 1993. That Order assigned the matter to a hearing examiner and required Centel to give notice to the public and to those filing comments of the hearing to be set by the assigned examiner. In his ruling of April 21, 1993, the Hearing Examiner set the matter for hearing at 2:00 p.m. and 7:00 p.m., on June 23, 1993, at the Greene County Courthouse in Stanardsville, Virginia.

On the appointed day, the matter came before Howard P. Anderson, Jr., Hearing Examiner. At the hearing, James A. Schendt, Regulatory Manager for Centel, appeared and explained the Company's proposal to implement its EAC service offering. Thirty-one public witnesses appeared. Some of these witnesses opposed Centel's proposal, while others supported it. At the conclusion of the proceeding, the Hearing Examiner advised the proceeding participants that he would issue a Report and make recommendations to the Commission on the disposition of this case. He advised the public witnesses to contact the Clerk of the Commission to obtain copies of his Report and explained that comments on the Report could be filed with the Commission within fifteen days of the Report's entry.

On August 5, 1993, the Hearing Examiner issued his Report. He found that most customers in the Stanardsville Exchange would benefit if EAC were approved and that the public interest in EAC would increase as the population of Greene County increased. He noted that the Greene County Chamber of Commerce had indicated interest in alternative calling plans which led to the present proposal for EAC. The Examiner acknowledged that EAC would have an impact on the elderly and on economically disadvantaged persons living on fixed incomes but found that this impact could be offset by certain provisions in Centel's tariff that minimized the adverse financial impact on these customers, e.g., Centel's Universal Service Plan and Senior Citizen Discount Plan. The Examiner recommended that the Commission enter an order adopting his findings, granting Centel's application to implement extended area calling, and dismissing the proceeding.

No comments were filed in response to the Hearing Examiner's Report.

NOW, having considered Centel's application, the favorable response to the customer poll conducted by Centel, the public comments received herein, the transcript of the public hearing, the Hearing Examiner's Report, and the applicable statutes, the Commission is of the opinion and finds that the findings and recommendations set out in the August 5, 1993 Hearing Examiner's Report are reasonable and should be adopted, and that Centel should be permitted to implement its proposed extended area calling service from the Company's Stanardsville Exchange to its Charlottesville Exchange.

Accordingly, IT IS ORDERED:

(1) That Centel's application for authority to implement extended area calling from its Stanardsville Exchange to its Charlottesville Exchange is hereby granted;

(2) That the tariff revisions necessary to implement Centel's extended area calling service from its Stanardsville Exchange to its Charlottesville Exchange shall be implemented forthwith; and

(3) That there being nothing further to be done herein, this matter is hereby dismissed, and the papers filed in this cause placed in th Commission's file for ended cases.

CASE NO. PUC920042
APRIL 28, 1993

APPLICATION OF
NANCY I. CARSON AND LARRY V. CARSON, d/b/a SOUTHERN HIGHLANDS COMMUNICATIONS

For a certificate to provide radio common carrier services throughout the Commonwealth

FINAL ORDER

On December 7, 1992, Southern Highlands Communications, Inc. ("Southern Highlands" or "Applicant") filed an application pursuant to § 56-508.6 of the Code of Virginia and the Commission's Rules Governing Common Carrier Services, 1990 S.C.C. Ann. Rept. 245 (Feb. 26, 1990) for a certificate to provide radio common carrier service, to include paging service and Improved Mobile Telephone Service, throughout the Commonwealth. Initially, service will be offered in Southwest Virginia in the area around Grundy.

By letter of February 9, 1993, Southern Highlands advised the Commission that it would be seeking a certificate as a general partnership, Nancy I. Carson and Larry V. Carson d/b/a Southern Highlands Communications ("the Carson Partnership"). By Order of February 17, 1993, the Commission directed the Carson Partnership to provide notice to Virginia's existing radio common carriers and to officials of the cities, towns, and counties in which service will initially be offered. That same order provided that a public hearing would be scheduled only if objections to the application were received. The deadline for objections was April 5, 1993. That date has passed and no objections have been filed. The Carson Partnership has filed proof of notice as directed by the Commission's Order of February 17, 1993. The Commission Staff has no objection to granting the requested authority. Having considered the application and the lack of objections from other radio common carriers, governmental officials, or the Commission Staff, the Commission is of the opinion that the application should be granted and, pursuant to the terms of § 56-508.6 of the Code of Virginia and the RCC Rules, the Carson Partnership should be granted a certificate to provide radio common carrier services throughout the Commonwealth. Accordingly,

IT IS THEREFORE ORDERED:

(1) That the Carson Partnership is granted RCC Certificate No. 171 authorizing it to provide service throughout the Commonwealth. Initially, service will be offered in Southwest Virginia in the area around Grundy; and

(2) That there being nothing further to come before the Commission, this docket is closed, and the record developed herein shall be placed in the file for ended causes.

CASE NO. PUC920043
JULY 12, 1993

APPLICATION OF
VIRGINIA METROTEL, INC.

For a certificate of public convenience and necessity to provide inter-LATA, interexchange telecommunications service in Virginia and have rates determined competitively

FINAL ORDER

On December 16, 1992, Virginia Metrotel, Inc. ("Metrotel") filed its application for a certificate of public convenience and necessity to provide inter-LATA, interexchange telecommunications service within the Richmond Metropolitan area, including the counties of Chesterfield, Henrico, Hanover, and Goochland and to have its rates determined competitively. Metrotel proposed to be a competitive access provider, offering dedicated channel service between interexchange carriers ("IXCs"), between end users and IXCs, and between IXCs and other common carriers. Metrotel does not propose to complete calls from end user to end user.

On March 26, 1993, the Chesapeake & Potomac Telephone Company of Virginia ("C&P") filed its protest, together with a motion to dismiss the application of Metrotel, or in the alternative, for the Commission to declare that the Utility Facilities Act, Chapter 10.1 of Title 56 of the Code of Virginia, permits Virginia telephone companies to provide exchange access and point-to-point private line service within each other's certificated territories. Metrotel responded to that motion on April 12, 1993, and C&P filed an additional reply April 23.

Protests were filed in support of Metrotel's application by MCI Telecommunications Corporation of Virginia ("MCI"), by AT&T Communications Company of Virginia ("AT&T"), and by Sprint Communications Company of Virginia ("Sprint"). By Order of May 6, 1993, the Commission set this matter for hearing on June 1, 1993. The hearing was conducted before the Commission on that date. Richard D. Gary, Esquire and Charles H. Carrathers, III, Esquire appeared on behalf of Metrotel; Warner F. Brundage, Jr., Esquire and Christopher W. Savage, Esquire appeared on behalf of C&P; James C. Dimitri, Esquire appeared on behalf of MCI; Eric M. Page, Esquire and Lesla Lehtonen, Esquire appeared on behalf of Sprint; Mark A. Keffer, Esquire appeared on behalf of AT&T; and Robert M. Gillespie appeared on behalf of the Commission's Staff.

Post-hearing briefs were submitted June 11, 1993, and the parties were allowed to reply to one another's briefs on or before June 25, 1993.

The access services Metrotel proposes to offer are inter-LATA in nature because the traffic transported over its facilities will originate and terminate in different LATAs. Metrotel has agreed to compensate C&P for any incidental intra-LATA traffic that might occur, pursuant to

Rule 2 of the Commission's Rules Governing the Certification of Inter-LATA, Interexchagne Carriers, 1984 S.C.C. Ann. Rept. 326. The public interest will be served by the carrier and route diversity Metrotel proposes to offer.

Metrotel's services may be priced competitively under § 56-481.1 of the Code of Virginia. The record reflects that Metrotel's services will be provided in competition with C&P's special access services and potentially with the previously certificated interexchange carriers and others. We will require tariffs to be kept on file.

Having considered the evidence and exhibits introduced at the hearing, together with post-hearing briefs, the Commission is of the opinion that the application should be granted in conformance with procedures previously used for the certification of inter-LATA, interexchange carriers. Accordingly,

IT IS THEREFORE ORDERED:

(1) That Virginia Metrotel, Inc., is hereby granted a certificate of public convenience and necessity, No. TT-20A, to provide the inter-LATA, interexchange access services proposed in its application, subject to the restrictions and conditions set out in the Commission's Rules Governing the Certification of Inter-LATA, Interexchange Carriers and in § 56-265.4:4 of the Code of Virginia;

(2) That Metrotel file three (3) copies of tariffs for its services with the Commission's Division of Communications;

(3) That the tariffs filed by Metrotel may become effective upon the date of this order or any subsequent date chosen by the Company;

(4) That changes in the Company's tariffs shall be accomplished as set forth in Rule 11 of the Commission's Rules Governing the Certification of Inter-LATA, Interexchange Carriers;

(5) That C&P's alternative motion for a declaration that the Utility Facilities Act permits Virginia telephone companies to provide exchange access and point-to-point private line service within each other's certificated territories does not need to be addressed in granting this particular application and is neither granted nor denied; and

(6) That there being nothing further to come before the Commission, this case is removed from the docket, and the record developed herein shall be placed in the file for ended causes.

CASE NO. PUC920044
FEBRUARY 17, 1993

APPLICATION OF
VIRGINIA CELLULAR LIMITED PARTNERSHIP

To amend its certificate for a new cell site, expanding its Richmond CGSA

FINAL ORDER

On December 8, 1992, Virginia Cellular Limited Partnership ("Applicant" or "Virginia Cellular") filed a modified service territory map depicting its new cell site near Powhatan, which would have the effect of expanding its Richmond MSA Cellular Geographic Service Area ("CGSA"). The CGSA granted Virginia Cellular by Certificate No. C-40c should be amended and the new service territory maps should be referenced on the amended certificate. Accordingly,

IT IS THEREFORE ORDERED:

(1) That the certificate of Virginia Cellular Limited Partnership, No. C-40c is hereby cancelled and shall be reissued as Certificate No. C-40d. The new certificate shall refer to the new service territory maps filed with this application; and

(2) That there being nothing further to come before the Commission, this docket is closed and the records developed herein shall be placed in the file for ended causes.

CASE NO. PUC930006
FEBRUARY 10, 1993

APPLICATION OF
METROMEDIA PAGING SERVICES, INC.

To amend its certificate to reflect new corporate name

FINAL ORDER

On January 26, 1993, Metromedia Paging Services, Inc. ("MPS" or "Applicant") filed an application describing how MPS, currently a wholly-owned subsidiary of Southwestern Bell Corporation ("Southwestern Bell") was to be acquired by Local Area Telecommunications, Inc. This acquisition would be accomplished by Local Area Telecommunications, Inc's. ("LOCATE's") purchasing all shares of stock in MPS from Southwestern Bell. Following the change of ownership, the name of MPS will be changed to LOCATE Paging, Inc.

Virginia Code § 56-508.3 prohibits a radio common carrier from acquiring, directly or indirectly, ownership or control of any mobile radio telephone utility system without obtaining a certificate from this Commission. However, that section grants an exception for ". . . the acquisition and operation of any plant or system heretofore constructed under authority of a certificate of convenience and necessity hereafter issued." The transfer of stock from Southwestern Bell to LOCATE, does not require the issuance of a certificate of public convenience and necessity because the regulated entity, MPS, already holds such a certificate and is not being altered by the change in its corporate shareholder. Moreover, the transfer is not subject to the Utility Transfers Act, Chapter 5 of Title 56 of the Code of Virginia. The Commission is of the opinion that the existing certificate of MPS, No. RCC-144a should be cancelled and reissued in the name of LOCATE Paging, Inc., at such time as the name change becomes effective. Accordingly,

IT IS THEREFORE ORDERED:

(1) That upon completion of the change of the name of Metromedia Paging Services, Inc. to LOCATE Paging, Inc., the existing certificate of MPS, No. RCC-144a shall be cancelled and reissued as No. RCC-144b to LOCATE Paging, Inc., formerly Metromedia Paging Services, Inc.; and

(2) That 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. PUC930009
JUNE 10, 1993

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION

Ex Parte: In the matter of adopting rules governing service standards for local exchange telephone companies

FINAL ORDER ADOPTING RULES

By order of April 5, 1993, the State Corporation Commission ("Commission") proposed rules to govern service standards for local exchange telephone companies. That order also invited interested persons to submit written comments or requests for hearing on or before May 14, 1993, and directed the Commission Staff to review the filed comments and file any response it deemed appropriate by May 28, 1993.

Only two interested persons filed written comments in the captioned proceeding: C&P Telephone Company of Virginia ("C&P") and Communication Engineering, Inc. ("CEI"). CEI initially requested a hearing on the proposed rules but subsequently withdrew its request, noting that it would address its concerns through informal means. While C&P did not request a hearing, it did request that it be given an opportunity to participate in the event a hearing was convened.

C&P's written comments supported the proposed service standards for Virginia certificated local exchange telephone companies ("LECs"). C&P did not oppose the rule provision that "[v]iolations of these rules are punishable pursuant to either Virginia Code § 56-483 or § 12.1-33 or both . . . ." but requested the Commission to clarify the following statement on page 1 of its order: "If the service standards are adopted as rules, any failure to comply with these standards would constitute a violation of such rules, punishable pursuant to either Virginia Code § 56-483 or § 12.1-33 or both." C&P observed that a service failure due solely to an act of God or nature which resulted in unsatisfactory service performance for a short period of time, in its view, neither shows willfulness, which is required for a violation of Virginia Code §§ 56-483 and 12.1-33, nor meets any of the other statutory tests for imposing a fine. C&P feared that the language of our previous order might be used to argue that a service failure under those circumstances would be punishable under the new standards. On May 28, 1993, the Staff filed its Report in which it agreed with C&P's observations concerning the language of the previous order.

While our Division of Communications has maintained service standards as guidelines for some time, we find it necessary to elevate these standards from Division guidelines to rules which are enforceable under Virginia Code §§ 56-483 and 12.1-33. Under these rules, service standard violations will now be punishable under either section individually or both. It is our intent to interpret and apply these statutes by their terms. We will use our judgment in deciding whether an occurrence could have been controlled by a LEC or could be considered a punishable service standard violation.

UPON CONSIDERATION of the written comments and the Staff Report filed herein, the Commission is of the opinion and finds that no hearing must be convened in this proceeding; and that the rules proposed in our April 5, 1993 Order (Attachment A) are reasonable and should be adopted, effective as of the date of the entry of this Order.

Accordingly, IT IS ORDERED that the rules found in Attachment A are hereby adopted, effective as of the date of the entry of this Order, and that there being nothing further to be done herein, this matter is hereby dismissed.

NOTE: A copy of the Regulation entitled "Rules Governing Service Standards for Local Exchange Telephone 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. PUC930010
MAY 27, 1993

APPLICATION OF
THE CHESAPEAKE AND POTOMAC TELEPHONE COMPANY OF VIRGINIA

To change the boundary between its Petersburg and Chester exchanges

FINAL ORDER

On March 29, 1993, The Chesapeake and Potomac Telephone Company of Virginia ("C&P") filed an application seeking authority to transfer a portion of its Petersburg exchange involving fifty-six customers located along Nash and Woodpecker Roads in Chesterfield County to its Chester exchange. By order of April 7, 1993, the Commission directed C&P to provide direct mail notice of the proposed change to each customer in the Petersburg exchange whose service would be transferred and the consequences of being shifted from the Petersburg exchange to the Chester exchange.

The deadline for comments or requests for hearing concerning the proposed transfer was May 3, 1993. Only one comment opposed to the change and no requests for hearing were received. In light of the fifty-five previous responses which C&P has received favoring the change and the single opposing comment received herein, the Commission is of the opinion that the application of C&P should be granted. Accordingly,

IT IS THEREFORE ORDERED:

(1) That The Chesapeake and Potomac Telephone Company of Virginia is hereby granted authority to transfer a portion of its Petersburg exchange located along Nash and Woodpecker Roads in Chesterfield County to its Chester exchange;

(2) That the fifty-five customers who previously responded to C&P in favor of the change be transferred from the Petersburg exchange to the Chester exchange;

(3) That the customer who wrote to the Commission opposing the change be allowed to keep Petersburg exchange service until she either terminates or requests a transfer to the Chester exchange; and

(4) That there being nothing further to come before the Commission, this docket is closed and the record developed herein shall be placed in the file for ended causes.

CASE NO. PUC930011
AUGUST 9, 1993

APPLICATION OF
MOBILECOMM OF THE SOUTHEAST, INC.

For recognition of its corporate reorganization and for amendment of its certificate of public convenience and necessity

ORDER AMENDING CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY

On July 19, 1993, MobileComm of the Southeast, Inc. ("MobileComm" or "the Company") filed an application with the State Corporation Commission ("Commission"). In its application, the Company requested that the Commission (1) recognize the Company's corporate reorganization whereby MobileComm, the surviving corporation of the merger, operated the paging system in Virginia of MobileComm of Virginia, Inc. ("MobileComm-Virginia"), the nonsurviving company, and (2) amend the certificate of public convenience and necessity held in the name of MobileComm-Virginia to reflect that service will be provided by, and the certificate of public convenience and necessity will be held in the name of MobileComm of the Southeast, Inc.

In support of its application, the Company maintained that at the time of its first merger, MobileComm was a Delaware corporation with a certificate of authority to do business in Virginia, issued by the Commission on December 15, 1992. It also noted that MobileComm-Virginia hel a certificate of public convenience and necessity to provide radio common carrier service in Virginia at the effective date of the first merger, i.e., December 31, 1992.

The Company further alleged that a second merger was consummated on July 2, 1993. Pursuant to the second merger, MobileComm of Virginia, Inc., a Virginia public service corporation incorporated in Virginia on June 29, 1993, was merged with and into MobileComm. The second merger occurred in order to satisfy the Virginia Stock Corporation Act requirement that a public service corporation be a domestic corporation.

Finally, MobileComm's application also stated that it does not expect any change in operations, management or service in Virginia as a result of its reorganization. It maintained that the officers and directors of MobileComm will serve in the same capacities in which they served for MobileComm-Virginia. It represented that from an operational standpoint, the reorganization and requested amendment are entirely pro forma, are the functional equivalent of a name change, and will not affect the provision of paging service to the public in Virginia.

NOW THE COMMISSION, upon consideration of MobileComm's application, is of the opinion and finds that this matter should be docketed; that the Company's reorganization is the functional equivalent of a name change; that the Company's application to amend its certificate of public convenience and necessity should be granted; that its corporate reorganization and mergers, effective on December 31, 1992, and on July 2, 1993, should be recognized; and that Certificate of Public Convenience and Necessity No. RCC-140 granted to MobileComm of Virginia on February 26, 1990, should be canceled and reissued as Certificate of Public Convenience and Necessity No. RCC-140a.

Accordingly, IT IS ORDERED:

(1) That this matter is assigned Case No. PUC930011;

(2) That Certificate of Public Convenience and Necessity No. RCC-140 shall be canceled and reissued as Certificate of Public Convenience and Necessity No. RCC-140a in the new corporate name of MobileComm of the Southeast, Inc.; and

(3) That there being nothing further to be done herein, this matter shall be dismissed.

CASE NO. PUC930012
DECEMBER 7, 1993

APPLICATION OF
METRO MOBILE CTS OF CHARLOTTE, INC.

For a certificate to provide cellular mobile radio communications in Rural Service Area Virginia 1

ORDER GRANTING CERTIFICATE

On April 20, 1993, Metro Mobile CTS of Charlotte, Inc., ("Metro Mobile" or "Applicant") filed an application for a certificate of public convenience and necessity to provide cellular mobile radio communications service in Rural Service Area Virginia 1-Lee. As required by § 56-508.11 of the Code of Virginia, Metro Mobile has received authorization from the Federal Communications Commission ("FCC") to operate a cellular radio telecommunication system in Virginia 1-Lee RSA. A copy of the map depicting the Cellular Geographic Service Area for Virginia 1-Lee RSA has been filed with the Division of Communications. On November 24, 1993, Metro Mobile submitted revised Attachment No. 1 which shows that Metro Mobile is chartered as a Virginia public service corporation.

The Commission Staff has reviewed the application of Metro Mobile and the proposed tariff and has determined that the tariff should be allowed to take effect on the date of this order or any subsequent date chosen by Metro Mobile. The Commission is of the opinion that Metro Mobile should be authorized to commence service as requested. Accordingly,

IT IS THEREFORE ORDERED:

(1) That Metro Mobile CTS of Charlotte, Inc., is hereby granted a certificate of public convenience and necessity, No. C-61, to render cellular mobile radio communications service within the Cellular Geographic Service Area depicted on the map filed with the application;

(2) That the tariff submitted by Metro Mobile may take effect as of the date of this order or any subsequent date chosen by Metro Mobile for service rendered within the Virginia 1-Lee RSA; and

(3) That there being nothing further to come before the Commission, this case is removed from the docket, and the record developed herein shall be placed in the file for ended causes.

CASE NO. PUC930013
NOVEMBER 24, 1994

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION

Ex Parte: In the matter of adopting rules implementing the Pay Telephone Registration Act

FINAL ORDER

During its 1993 session, the General Assembly of Virginia enacted Title 56, Chapter 16.3 of the Virginia Code, entitled the Pay Telephone Registration Act ("the Act"). The legislature enacted Va. Code §§ 56-508.15 and -508.16 in response to a growing number of complaints by the public involving coin telephones. Va. Code § 56-508.15 requires the registration or certification of all persons engaged in the sale or resale of intrastate telephone service through pay telephone instruments. Va. Code § 56-508.16, among other things, authorizes the State Corporation Commission ("Commission") to promulgate rules necessary to implement the provisions of the Act.

Consistent with the directives set out in the Act, on May 11, 1993, the Commission issued an Order docketing the rulemaking and directing the Division of Communications to publish notice of certain proposed rules governing the registration of pay telephone service and instruments. Further, the Order invited interested persons to file comments or requests for hearing on the proposed rules on or before June 17, 1993.

On June 18, 1993, in response to a Motion filed by Virginia Cellular Limited Partnership, trading as Contel Cellular ("Contel Cellular"), the Commission extended the time in which all interested parties could file comments to June 25, 1993.

The Commission received numerous written comments on the proposed rules. In addition to these comments, Capital Network System, Inc. ("Capital"); and Eastern Telecom Corporation, Atlantic Telco Corporation, and Public Access, Inc. (hereafter collectively referred to as the "Pay Telephone Providers") requested a hearing so that they could orally present their objections to the rules. AT&T Communications of Virginia, Inc. ("AT&T") and the Virginia Telephone Association ("VTA") requested leave to be heard if a hearing was convened.

After considering the comments, on July 7, 1993, the Commission issued an Order directing its Staff to file a report analyzing the filed comments and proposing revisions to the proposed rules where appropriate. The same Order assigned a Hearing Examiner to the matter, invited further comments on the Staff's Report, and set the matter for oral argument before the Examiner.

On July 26, 1993, the Hearing Examiner extended the filing date for the Staff's Report to August 4, 1993. In the same Ruling, the Hearing Examiner extended the date to August 27, 1993, in which parties could file further comments responsive to the Staff Report.

On August 2, 1993, the Staff filed its Report. In its Report, the Staff recommended various changes to the proposed rules to respond to the issues raised in the comments. Staff further recommended that there be no changes to proposed Rules 2, 3, 7, 10, and 17 and proposed to eliminate proposed Rule 14. Rule 14 provided:

> [n]o pay telephone service provider may enter into any contract or agreement with any provider of operator service who charges users of pay telephone instruments any rate which conflicts with Rules 12 or 13 above.

The Staff proposed to eliminate this rule because it believed Rules 12 and 13, which address the charges to the public from private telephone instruments, were sufficient rate criteria for pay telephone instruments. Staff noted that by eliminating Rule 14, it intended to hold pay telephone providers solely responsible for compliance with all of the proposed rules, including Rules 12 and 13. The Staff proposed to renumber the remaining rules sequentially.

In response to the Staff's Report, further comments were filed by Capital; The Chesapeake and Potomac Telephone Company of Virginia ("C&P"); the Pay Telephone Providers; International Telecharge, Inc. ("ITI") and American Network Exchange, Inc. ("ANE"); and Robert Cefail Associates American Inmate Communications, Inc. ("RC&A").

In his August 19, 1993 Ruling, the Hearing Examiner set the matter for argument on September 7, 1993. On September 1, 1993, the Examiner granted the Motions to Intervene filed by RC&A and Cleartel Communications, Inc.

On the appointed day the matter came for argument before Howard P. Anderson, Jr., Hearing Examiner, Counsel appearing were: Patrick Wiggins, Esquire, counsel for Capital; Warner F. Brundage, Jr., Esquire, Counsel for C&P; Allan R. Staley, Counsel for the Pay Telephone Providers; Brad Mutschelknaus, Esquire, Counsel for ITI and ANE; Richard D. Gary, Esquire, Counsel for the Virginia Telephone Association ("VTA"); GTE Virginia, GTE South and GTE Mobile Communications ("GTE"); Dana Frix for RC&A; and Karlyn D. Stanley, Esquire, Counsel for AT&T Communications of Virginia; and Sherry H. Bridewell, Counsel for the Commission Staff. Jean Ann Fox appeared as a public witness. At the conclusion of the proceeding, the Examiner took the matter under advisement.

On November 4, 1993, the Hearing Examiner issued his Report in the captioned matter. In his Report, the Examiner accepted Staff's proposals for Rules 1-5, 7, 9, 10 and 16-23. Further, he recommended that Rule 6 be amended to broaden the acceptable language to advise why pay telephone instruments cannot receive incoming calls. Specifically, the Hearing Examiner proposed the following language for Rule 6:

> Pay telephone instruments must be equipped to receive incoming calls unless they are prominently marked with either the words "OUTGOING CALLS ONLY", "NO INCOMING CALLS", or other

> language deemed acceptable by the Commission which will reasonably advise the user that no incoming service is available.

The Examiner also revised Point 8 of Rule 15 which prescribes certain information to be found on pay telephone instruction cards to reflect the change made in Rule 6.

Additionally, the Examiner accepted Staff's proposed change to Rule 8 made during oral argument to address the fact that C&P uses message rate, measured rate and flat rate options for access lines offered to privately owned pay telephones.

He further proposed to amend Rule 11 to reflect changes suggested by the Pay Telephone Providers to permit routing of operator calls to local exchange company ("LEC") operators when the operator service whom the pay telephone provider uses does not provide prompt, efficient and accurate emergency service to a consumer when requested.

The Examiner also agreed that it was appropriate to eliminate Rule 14 and renumber the remaining rules as proposed by the Staff's Report. Moreover, he urged the Commission to amend proposed Rules 12 and 13 to permit private pay telephone providers to initiate proceedings before the Commission to prove that their costs could not be reasonably met under the rate caps contained within those rules. Finally, he recommended that pay telephone instruments provided by confinement service providers be exempted from the application of the proposed rules, with the exception of the registration requirement found in Rule 3. He urged the Commission to adopt the proposed rules, as revised, in his Report and invited the parties to file comments in response to his Report within fifteen (15) days from the date of its issuance.

Only C&P filed comments. C&P asked the Commission to consider its comments filed earlier with regard to Rules 7, 9, 11, 13 and 16 (renumbered as 15), and additionally commented about pay telephones provided to correctional facilities. Among other things, C&P objected to the information provided to LECs by private pay telephone service providers, charges for directory assistance, routing of operator calls, and the surcharge for LEC calls.

NOW, upon consideration of the record herein, the Hearing Examiner's Report, the comments thereto, and the applicable statutes, the Commission is of the opinion and finds that the recommendations of the Hearing Examiner are reasonable, as further modified and clarified herein, and that the rules appearing as Appendix A hereto should be adopted, effective forthwith. We will briefly address the provision of LEC services as private pay telephone providers outside of their certificated service territories, clarify the Rules' application to pay telephone instruments found in confinement institutions, eliminate the requirement that private pay telephone providers furnish their FCC registration number to LECs, and generally address certain other issues raised in this proceeding.

We believe that LECs and other carriers may offer pay telephone service outside of their certificated service territories. This will put these service providers on a more equitable basis with other pay telephone providers. However, these certificated companies must register as private pay telephone providers for services provided outside of their certificated territory and, for these services, will be subject to the same rules as are other private pay telephone service providers for this kind of service. The attached rules will accordingly be amended to reflect this change.

With respect to the issue of pay telephone instruments provided to correctional institutions, we note that the Hearing Examiner has recommended that confinement service providers should be subject to Rule 3, requiring registration, but should be otherwise exempted from the pay telephone rules. We do not agree, and accordingly will amend Rule 1 to exempt confinement service providers as well as certificated companies from the pay telephone rules for restricted access telephone instruments provided to confinement facilities.

Further, the literal language of the rules recommended by the Examiner would appear to apply to LECs who supply pay phone service to correctional facilities. This is not appropriate. Consequently, we find that restricted access instruments furnished by LECs to confinement facilities which are the functional equivalent of the instruments provided by confinement service providers should also be excluded from the application of these rules.

Based upon the record in this case, instruments of this nature should not be subject to the rules at this time. However, we will retain the authority to revisit this conclusion should subsequent circumstances, i.e., customer complaints, dictate a contrary result. Accordingly, we find that Rule 1 should be revised as follows:

> (1) Local exchange telephone companies, interexchange carriers, and cellular carriers are authorized to provide pay telephone service within their certificated areas in the Commonwealth of Virginia. Private pay telephone service providers, including local exchange companies, interexchange carriers and cellular carriers wishing to provide pay telephone service as providers outside of their certificated service territories, are authorized, when they have been properly registered with the State Corporation Commission (SCC), to provide pay telephone service anywhere within the Commonwealth of Virginia. The rules contained herein apply to local exchange telephone companies, interexchange carriers, and private pay telephone service providers. Restricted access pay telephone instruments provided to confinement facilities are excluded from the application of these rules. Cellular carriers must conform to Rules 3 and 13, but are otherwise excluded from the application of these rules. Should circumstances such as, for example, consumer complaints make it necessary, the Commission may in its own discretion amend these rules for further application to cellular pay telephone providers and to restricted access instruments provided to confinement facilities.

In addition, we agree with C&P that Rule 7 should be amended to remove the requirement that private pay telephone providers provide their FCC registration numbers to LECs. It appears that the Federal Communications Commission ("FCC") no longer requires LECs to obtain this information and that LECs have no real use for this information.

However, we will require the private pay telephone provider to continue to provide information concerning its connections, location, SCC registration number, as well as any details a LEC may need for billing purposes. Information as to location and connection are obviously useful to the LEC for billing purposes. Information about the SCC registration number provides assurance to the LEC that the pay telephone provider is

lawfully entitled to receive service from the LEC. In this regard, we acknowledge that the Commission is ultimately responsible for enforcement of the Pay Telephone Registration Act. Moreover, the Act expressly provides for disconnection of the registrant's pay telephone instrument by the certificated carrier upon suspension or revocation of a private provider's registration. Thus, the Act has made all certificated carriers, including LECs, an inextricable part of the enforcement process. Rule 7's requirement that providers of private pay telephones furnish their SCC registration numbers to a LEC places the onus of the Rule on the instrument provider and only tangentially involves the LEC. We find this Rule, as amended herein, to be consistent with the role of certificated carriers under that Act.

Further, we will make several technical corrections to the Examiner's recommended Rule 8 to recognize that flat rate service for access lines is not available in all exchanges and that some LECs offer both optional message rate and measured rate service while others do not. Consequently, Rule 8 should be revised to read as follows:

> Where business flat rate service is available, local exchange companies will furnish access lines to privately owned pay telephones at a flat rate not to exceed the private branch exchange trunk flat rate. Where available, local exchange companies will offer optional message rate and/or measured rate business service access lines to privately owned pay telephone providers.

Finally, we believe the Rules as otherwise recommended by the Hearing Examiner should remain unchanged. We note, with respect to C&P's objections relating to directory assistance charges, that C&P and other LECs provide directory assistance service under tariffs approved by the Commission. Private pay telephone providers do not provide any services under tariff. If C&P or other LECs desire to change their tariffed directory assistance charges, nothing in these rules prevents them from doing so, subject to appropriate application to and approval by the Commission.

Accordingly, IT IS ORDERED:

(1) That the revised rules set forth in Appendix A are hereby adopted effective forthwith;

(2) That a copy of these rules, together with the Order adopting them, shall be published in the Virginia Register; and

(3) That there being nothing further to be done herein, the same is hereby dismissed from the Commission's docket of active proceedings.

NOTE: A copy of the Regulation entitled "Rules for Pay Telephone Service and Instruments" 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. PUC930013
DECEMBER 3, 1993

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION

Ex Parte: In the matter of adopting rules implementing the Pay Telephone Registration Act

AMENDING ORDER

On November 24, 1993, the State Corporation Commission ("Commission") issued an Order adopting rules implementing the Pay Telephone Registration Act ("the Act"), Va. Code §§ 56-508.15 and -508.16. Among other things, Rule 4 of these Rules provided that for the first year of the Pay Telephone Registration Act, the registration fee for private pay telephone providers ("PPTs") would be due by not later than January 1, 1994. This Rule further provides for a late filing fee of ten percent (10%) or $25.00, whichever is greater, to be assessed for all first year applications for registration received after January 1, 1994, and for late payments received after January 1st in successive years. Upon further consideration thereof, we recognize that PPTs have not had to register with the Commission or pay registration fees prior to the effective date of the Pay Telephone Registration Act and the adoption of the rules implementing that Act. Further, we acknowledge that the Act establishes a relatively short time frame in which to register pay telephone providers.

WHEREFORE, IN CONSIDERATION of the foregoing, the Commission is of the opinion and finds it appropriate to extend the date by which late filing fees will be assessed for first year applications only. Thereafter, late filing fees will be assessed for all applications and registration payments received after January 1st in successive years. Therefore, Rule 4 should be amended in pertinent part to read as follows:

> .... In the first year of the Pay Telephone Registration Act this fee will be due by not later than ~~January~~ February 1, 1994, and will be assessed and payable to the Commission by January 1st of each successive year. A late filing fee of ten percent (10%) or $25.00, whichever is greater, will be assessed for all first year applications received after ~~January~~ February 1, 1994, and for late payments received after January 1st in successive years .... (Underscore indicates insertions. Strikethrough indicates deletions.)

In all other respects, the Rules shall remain as set forth in Appendix A to the November 24 Final Order.

Accordingly, IT IS ORDERED:

(1) That Rule 4 set forth in Appendix A to the November 24, 1993 Final Order shall be revised in pertinent part as provided herein;

(2) That, in all other respects the Rules shall remain as set out in Appendix A to the November 24, 1993 Final Order; and

(3) That a copy of this Order, together with the rules, as further revised herein, found in Appendix A hereto shall be published in the Virginia Register.

NOTE: A copy of the Regulation entitled "Rules for Pay Telephone Service and Instruments" 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. PUC930014
NOVEMBER 19, 1993

APPLICATION OF
CENTRAL TELEPHONE COMPANY OF VIRGINIA, INC.

For authority to provide extended area calling from Fork Union to its Charlottesville and Scottsville Exchanges

FINAL ORDER

On May 21, 1993, Central Telephone Company of Virginia, Inc. ("Centel" or "the Company") filed an application with the State Corporation Commission ("Commission") seeking authority to implement extended area calling ("EAC") from its Fork Union Exchange to its Charlottesville and Scottsville Exchanges. On June 21, 1993, the Commission issued an Order wherein it docketed Centel's application, invited the public to file comments or requests for hearing with the Clerk of the Commission on or before August 30, 1993, directed the Company to complete publication of its notice to the public on or before July 30, 1993, and directed the Commission's Staff to file a report concerning the application on or before September 14, 1993.

On September 8, 1993, the Company filed a Motion requesting an extension of time in which to publish notice of its application.

On September 14, 1993, the Commission entered an Order, which, among other things, extended the time in which the Company could publish notice of its application. The same Order extended the time in which Centel customers who were affected by the proposal could file written comments or requests for hearing, and directed the Staff to file its Report on the Company's application on or before November 15, 1993.

On November 10, 1993, the Staff filed its Report in the captioned matter. The Staff noted that no comments or requests for hearing were filed and recommended that the Commission approve the proposed extending area calling route.

On November 12, 1993, the Company filed proof of its publication of notice.

NOW, upon consideration of the Company's application, the favorable response to the customer poll conducted by Centel, the Staff's Report, and the applicable statutes, the Commission is of the opinion and finds that the Company's proposal to implement EAC service from its Fork Union Exchange to its Charlottesville and Scottsville Exchanges is in the public interest. The Commission further finds that the customer poll conducted by the Company supports the existence of a community of interest among these exchanges, and that the Company's application should be approved.

Accordingly, IT IS ORDERED:

(1) That Centel's application for authority to implement extended area calling from its Fork Union Exchange to its Charlottesville and Scottsville Exchanges is hereby granted;

(2) That the tariff revisions necessary to implement Centel's extended area calling service from its Fork Union Exchange to its Charlottesville and Scottsville Exchanges shall be filed forthwith with the Commission; and

(3) That there being nothing further to be done herein, this matter is hereby dismissed, and the papers filed in this case shall be placed in the Commission's file for ended causes.

CASE NO. PUC930015
SEPTEMBER 21, 1993

APPLICATION OF
CENTRAL TELEPHONE COMPANY OF VIRGINIA, INC.

For authority to provide extended area calling from its Palmyra exchange to its Charlottesville and Scottsville exchanges

FINAL ORDER

On May 21, 1993, Central Telephone Company of Virginia, Inc. ("Centel" or "the Company") filed an application seeking authority to implement extended area calling ("EAC") from its Palmyra exchange to its Charlottesville and Scottsville exchanges. The Company's proposal would increase the local rates paid by all Palmyra subscribers but also would enable these customers to call the Charlottesville and Scottsville Exchanges at a price approximately 75 percent lower than current toll rates to that exchange.

In its application, the Company represented that it had mailed a copy of its proposal to its customers in the Palmyra Exchange, together with a ballot to be returned to Centel expressing approval or disapproval of the proposal. Ballots were mailed to 3,862 customers, and 54 percent of those ballots were returned to Centel. Of the ballots returned, 65 percent favored the extended area calling proposal.

In its June 21, 1993 Order Prescribing Notice, the Commission docketed the proceeding, ordered Centel to publish notice of its application, and invited the public to file written comments or requests for hearing with the Commission on or before August 30, 1993. The Commission also directed its Division of Communications ("the Staff") to investigate the reasonableness of the proposed EAC service offering and the comments received thereon and report its findings to the Commission.

On September 9, 1993, Centel requested that the Commission accept the late filing of its proof of notice. Centel published its public notice on a timely basis, but filed its proof of notice on September 8 rather than August 30, 1993.

In its Report filed on September 9, 1993, the Staff noted that Centel filed its application in response to studies showing a community of interest between the Palmyra Exchange and the Charlottesville and Scottsville exchanges. It noted that five public comments were filed in response to the Company's application. Four of these comments opposed Centel's proposal, while one supported it. No requests for hearing were received. The Staff recommended that the Commission approve the proposed EAC route between the Palmyra Exchange and the Charlottesville and Scottsville Exchanges.

NOW, having considered Centel's application, the favorable response to the customer poll conducted by Centel, the public comments received herein, Centel's Motion, and the applicable statutes, the Commission is of the opinion and finds the Centel's motion to accept its late filed proof of notice should be granted; and that the Company's proposal to implement EAC service from its Palmyra Exchange to its Charlottesville and Scottsville Exchanges appears to be in the public interest. The Commission further finds that the customer poll conducted by the Company supports the existence of a community of interest among these exchanges, and that the Company's application should be approved.

Accordingly, IT IS ORDERED:

(1) That Centel's motion to accept its late filed proof of notice should be granted;

(2) That Centel's application for authority to implement extended area calling from its Palmyra Exchange to its Charlottesville and Scottsville Exchanges is hereby granted;

(3) That the tariff revisions necessary to implement Centel's extended area calling service from its Palmyra Exchange to its Charlottesville and Scottsville Exchanges shall be filed forthwith with the Commission; and

(4) That there being nothing further to be done herein, this matter is hereby dismissed, and the papers filed in this cause shall be placed in the Commission's file for ended causes.

CASE NO. PUC930017
JUNE 18, 1993

APPLICATION OF
METROCALL, INC.

For recognition of its corporate reorganization and amendment of its certificate of public convenience and necessity

ORDER AMENDING CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY

On May 28, 1993, Metrocall, Inc., formerly Metrocall of Delaware, Inc., ("Metrocall") filed an application with the State Corporation Commission ("Commission") requesting (i) recognition of a corporate reorganization by which Metrocall of Virginia, Inc. ("Metrocall of Virginia"), a Virginia corporation, will be created as a wholly-owned subsidiary of Metrocall for purposes of operating Metrocall's existing paging system in Virginia; and (ii) amendment of Metrocall's Certificate of Public Convenience and Necessity to reflect that service will be provided by, and the certificate of public convenience and necessity will be held in the name of, Metrocall of Virginia. Metrocall requested that the Commission act on its application on an expedited basis.

In its application, Metrocall maintains that it is dually incorporated in Delaware and Virginia and that it holds a certificate of public convenience and necessity to provide radio common carrier services in Virginia. It notes that its corporate reorganization will take place in connection with a proposed initial public offering of common stock by Metrocall. Metrocall alleges that it will create Metrocall of Virginia to conduct its paging operations in Virginia and that it does not expect any change in its Virginia operations, management, or service as a result of the reorganization. It states in its application that the Metrocall officers and directors will serve in the same capacity as Metrocall of Virginia's officers and directors. Its application states that once the certificate of public convenience and necessity has been transferred to Metrocall of Virginia, Metrocall will terminate its dual incorporation status and operate as a Delaware corporation. It further maintains that its proposed reorganization and requested amendment are entirely pro forma and tantamount to a name change.

Metrocall subsequently filed a supplement to its application. In its application, as supplemented, Metrocall explains that it is presently a Subchapter S Corporation, dually incorporated in both Delaware and Virginia and as such cannot own a subsidiary. It states that in connection with its proposed public offering, it will cease being a Subchapter S Corporation. It alleges that its continued existence as a dually incorporated entity is not practical, nor in the best interest of a publicly held company. It asserts that dual incorporation is not a familiar concept in the investment community and that continuation of such status could impede its ability to proceed with its public stock offering. Metrocall has requested that any Commission authorization become effective immediately upon notification by Metrocall to the Commission that Metrocall of Virginia has become a wholly-owned subsidiary of Metrocall and is in good standing in Virginia.

NOW THE COMMISSION, upon consideration of Metrocall's application, is of the opinion and finds that this matter should be docketed; that Metrocall's application should be granted; that Certificate of Public Convenience and Necessity No. RCC-162 granted to Metrocall on February 26, 1990, should be canceled and reissued as Certificate of Public Convenience and Necessity No. RCC-162a upon the provision by Metrocall of proof that Metrocall of Virginia has been issued a certificate of incorporation as a Virginia public service corporation; and that this matter should be continued until Metrocall provides the requisite proof.

Accordingly, IT IS ORDERED:

(1) That this matter is assigned Case No. PUC930017;

(2) That Certificate of Public Convenience and Necessity No. RCC-162 shall be canceled and reissued as Certificate No. RCC-162a in the new corporate name of Metrocall of Virginia upon Metrocall filing with the Clerk of the Commission the appropriate papers providing proof that Metrocall of Virginia has been issued a certificate of incorporation as a public service corporation; and

(3) That this matter is hereby continued generally.

CASE NO. PUC930017
JULY 12, 1993

APPLICATION OF
METROCALL, INC.

For recognition of its corporate reorganization and amendment of its certificate of public convenience and necessity

DISMISSAL ORDER

On June 18, 1993, the State Corporation Commission ("Commission") issued an Order which authorized the amendment of the Certificate of Public Convenience and Necessity held by Metrocall, Inc., formerly Metrocall of Delaware, Inc. ("Metrocall"). Specifically, the Commission directed that Certificate of Public Convenience and Necessity No. RCC-162 be canceled and Certificate No. RCC-162a be issued in the new corporate name of Metrocall of Virginia, Inc., upon Metrocall filing with the Clerk of the Commission proof that Metrocall of Virginia, Inc. had been issued a certificate of incorporation as a public service corporation.

On July 9, 1993, Metrocall filed documents with the Commission demonstrating that Metrocall of Virginia, Inc. has been issued a certificate of incorporation as a public service corporation and requested that its Certificate No. RCC-162a be issued, effective July 12, 1993, when Metrocall will acquire Metrocall of Virginia, Inc. as a wholly-owned subsidiary.

NOW THE COMMISSION, upon consideration of the documents filed by Metrocall, is of the opinion and finds that Certificate of Public Convenience and Necessity No. RCC-162 should be canceled; that Certificate of Public Convenience and Necessity No. RCC-162a should be issued in the name of Metrocall of Virginia, Inc.; and that this matter should be dismissed.

Accordingly, IT IS ORDERED:

(1) That Certificate of Public Convenience and Necessity No. RCC-162, held by Metrocall, shall be canceled, effective July 12, 1993;

(2) That Certificate of Public Convenience and Necessity No. RCC-162a shall be issued in the name of Metrocall of Virginia, Inc., effective July 12, 1993; and

(3) That this matter shall be dismissed from the Commission's docket of active cases.

CASE NO. PUC930018
JUNE 25, 1993

APPLICATION OF
K. J. PAGING, INC.

For the cancellation of Hawkins Communications, Inc.'s certificate of public convenience and necessity

ORDER CANCELING CERTIFICATE

On June 7, 1993, K. J. Paging, Inc. ("the Company") filed a request with the State Corporation Commission ("Commission") to cancel Hawkins Communications, Inc.'s ("Hawkins") certificate of public convenience and necessity. In support of its request, the Company advised that the Commission had granted it a certificate of public convenience and necessity, authorizing it to provide radio common carrier service throughout Virginia, and that, with Federal Communications Commission approval, it had acquired the public mobile service facilities formerly operated by Hawkins in Virginia.

Now, upon consideration of the Company's request, the Commission is of the opinion and finds that this matter should be docketed; that the Company has acquired the public mobile service facilities previously operated by Hawkins in Virginia; that in its January 19, 1993 Final Order entered in Application of K. J. Paging, Inc., For a certificate to provide radio common carrier services throughout the Commonwealth, Case No. PUC920032, it issued Certificate No. RCC-169 to the Company, authorizing it to provide radio common carrier service throughout the Commonwealth; and that Hawkins' certificate of public convenience and necessity should be canceled.

Accordingly, IT IS ORDERED:

(1) That this matter is hereby docketed and assigned Case No. PUC930018;

(2) That Certificate No. RCC-156 issued to Hawkins Communications, Inc., is canceled; and

(3) That there being nothing further to be done herein, this matter is dismissed from the Commission's docket of active proceedings, and the papers filed herein shall be placed in the Commission's file for ended causes.

CASE NO. PUC930019
JUNE 25, 1993

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 INITIATING INVESTIGATION

A number of information service providers ("ISPs") have petitioned the State Corporation Commission ("Commission") and the Commission's Division of Communications to require the Chesapeake and Potomac Telephone Company of Virginia ("C&P") to offer three digit dialing for access to information services rather than the typical seven digit dialing required of local telephone calls. They have requested that this three digit dialing be designated as "N11" similar to the "911" code currently used to access emergency services or the "411" code used to access directory assistance. Such access may be technically feasible, but the Commission is concerned that the limited number of codes available would be quickly exhausted by the ISPs who have sought such codes. Consequently, rather than address each petition on an ad hoc basis, the Commission has determined to open this generic investigation of the feasibility, public interest, and implementation of three digit access to information services. Accordingly,

IT IS THEREFORE ORDERED:

(1) That this matter is docketed and assigned Case No. PUC930019;

(2) That, on or before July 16, 1993, the Commission's Division of Communications shall complete publication of the following notice on one occasion in the classified advertising of major Virginia newspapers:

EX PARTE: IN THE MATTER OF INVESTIGATING
N11 ACCESS TO INFORMATION SERVICE PROVIDERS
CASE NO. PUC930019

The Virginia State Corporation Commission ("SCC") has initiated an investigation of the feasibility and public interest of requiring Virginia telephone companies to offer a three digit access code to information service providers ("ISPs") such that callers could reach ISPs by dialing an "N11" code similar to the 911 code reserved for emergency service or the 411 code reserved for directory assistance. The remaining generally available "N11" codes are 211, 311, 511, and 711. By dialing one of these

numbers, consumers may be able to get stock quotes, sports scores, lottery information, horoscopes, weather forecasts, news and other information for a fee.

The SCC is inviting comments from interested persons about the feasibility and public interest of providing additional access codes, and if feasible, how to implement them. The Commission's Division of Communications has compiled a list of 14 issues that, among others, might deserve comment. Any person desiring a copy of the list of 14 issues may request it by calling the Division of Communications at (804) 371-9420 or by writing the Division of Communications at the following address: Division of Communications, State Corporation Commission, P.O. Box 1197, Richmond, Virginia 23209.

Any person desiring to submit comments about this investigation should file an original and fifteen (15) copies of such comments, on or before July 30, 1993, with William J. Bridge, Clerk, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23216. Such comments should refer to Case No. PUC930019.

VIRGINIA STATE CORPORATION COMMISSION

(3) That, on or before July 30, 1993, interested persons may file written comments with the Clerk of the Commission on the issues listed in Appendix A, as well as other pertinent issues related to N11 access by filing an original and fifteen (15) copies of said comments with William J. Bridge, Clerk, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23216. Said comments should refer to Case No. PUC930019;

(4) That the Division of Communications furnish proof of publication of notice as described above on or before August 31, 1993;

(5) That the Commission Staff investigate N11 access to ISPs and file a report with the Clerk of the Commission on or before August 31, 1993;

(6) That a copy of the Division of Communications' "N11 Issues for Comment" is attached hereto as Appendix A. Appendix A is for illustrative purposes only and is not an exhaustive list of issues. Comments are also solicited on any other pertinent issues; and

(7) That this matter is continued generally.

NOTE: A copy of Appendix A entitled "N11 Issues for Comment" 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. PUC930023
AUGUST 13, 1993

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
CONTEL OF VIRGINIA, INC., d/b/a GTE VIRGINIA,
Defendant

To investigate telephone service quality

ORDER INITIATING SERVICE INVESTIGATION

The State Corporation Commission's Division of Communications ("the Division") has continuously monitored the service quality of Contel of Virginia, Inc., d/b/a GTE Virginia ("GTE Virginia" or "the Defendant"). Based upon monthly reports filed with the Division and other events affecting service, Staff maintains that GTE Virginia has engaged in a pattern of operations which has resulted in less than satisfactory service and deteriorating trends of quality and reliability in telephone service offered to the citizens of the Commonwealth of Virginia.

Specifically, the Staff states the following in support of these allegations:

(1) GTE Virginia's corporate predecessor received a certificate of incorporation as a public service corporation from the Commission on July 9, 1969;

(2) GTE Virginia holds numerous certificates of public convenience and necessity issued by the Commission pursuant to the Utility Facilities Act, Va. Code § 56-265.1 et seq.;

(3) Before Contel Corporation's merger into GTE, Contel of Virginia, Inc. had improved service results to levels that were among the best in the Commonwealth;

(4) GTE Virginia makes monthly reports to the Division concerning service results. These reports indicated the following chronology of service-related occurrences:

(a) In November, 1992, Network Reports per 100 access lines, i.e., all customer trouble reports whether found or not found charged against the central office, including host and remote switching entities, were at .43, a result not achieving the satisfactory .35 or less service guideline used by the Division. The

percentage of all calls to the business office answered live within 20 seconds, i.e., business office accessibility, was 54%, beneath the satisfactory level of 85% or greater standard employed by the Division in its service guidelines;

(b) In December, 1992, Network Reports per 100 access lines were at .37, a result not achieving the satisfactory standard employed by the Division's guidelines. Business office accessibility was at 50.4%, again less than the satisfactory standard employed by the Division in its service guidelines;

(c) In January, 1993, Network Reports per 100 access lines were at .38, a result not achieving the satisfactory service standard employed by the Division. Business office accessibility was at 72.1%, less than the satisfactory service standard used by the Division in its service guidelines;

(d) In February, 1993, Network Reports per 100 access lines were at .36, a result not achieving the satisfactory service standard used by the Division in its service guidelines;

(e) In March, 1993, Network Reports per 100 access lines were at .37, a result not achieving the satisfactory benchmark used by the Division in its service guidelines;

(f) In April, 1993, Network Reports per 100 access lines were at .36, a result not achieving the satisfactory service standard used by the Division in its service guidelines;

(g) In June, 1993, Network Reports per 100 access lines were at .39, a result not achieving the satisfactory service standard used by the Division and adopted by the Commission as one of the service indicators found in its rules governing local exchange company service in Case No. PUC930009.

(5) GTE Virginia has experienced outages as follows:

(a) On June 18, 1993, GTE Virginia reported a major outage of the Residence Order Center (Business Office) in Tampa, Florida;

(b) As of July 28, 1993, GTE Virginia had experienced ten network outages in the previous nine weeks for its Shipps Corner office and associated remote units.

(6) On July 29, 1993, GTE Virginia dropped a portion of Hanover County's 911 emergency service for approximately six hours;

(7) GTE Virginia continues to achieve less than satisfactory results for its Network Reports; and

(8) The Staff has advised GTE Virginia on a quarterly basis of its service deficiencies.

According to Staff, when considered individually, the Network Report deficiencies and outages might not be extraordinary. The combination of these events, however, presents an alarming trend, especially in light of the lengthy outage of 911 service on July 29, 1993. In those areas where 911 service has been implemented, ready access to that service has become a necessity for health and safety purposes.

NOW THE COMMISSION, upon consideration of the Staff's allegations, is of the opinion and finds that this matter should be docketed; that the Defendant should be given an opportunity to respond to the Staff's allegations; that as part of the investigation initiated herein, a hearing should be held wherein Staff and GTE Virginia should be provided an opportunity to present testimony regarding the quality of telephone service rendered by the Defendant; and that this matter should be continued until further Commission order.

Accordingly, IT IS ORDERED:

(1) That this proceeding is assigned Case No. PUC930023, and is instituted to investigate the adequacy of the telephone service rendered by Contel of Virginia, Inc. within the territory it is authorized to serve for the purpose of requiring correction of any inadequacies in service found to exist;

(2) That, on or before September 10, 1993, GTE Virginia shall file with the Clerk of the Commission a written response to Staff's allegations and the investigation initiated herein. Said response shall refer to Case No. PUC930023 and shall be filed with William J. Bridge, Clerk, State Corporation Commission, Document Control Center, P.O. Box 2118, Richmond, Virginia 23216; and

(3) That a hearing shall be convened on October 5, 1993, at 10:00 a.m., in the Commission's Courtroom on the Second Floor of the Tyler Building, 1300 East Main Street, Richmond, Virginia to hear evidence from the Division and from GTE Virginia concerning the quality of Defendant's service; if any service deficiencies are determined to exist, the Commission will order GTE Virginia to take corrective action; and

(4) That an attested copy of this Order shall be served forthwith, by certified mail, return receipt requested, by the Clerk of the Commission on Calvin F. Major, Registered Agent for Contel of Virginia, Inc., d/b/a GTE Virginia at Goddin, Major, Schubert & Hyman, P.O. Box 5010, Richmond, Virginia 23220.

CASE NO. PUC930026
OCTOBER 6, 1993

APPLICATION OF
VIRGINIA CELLULAR LIMITED PARTNERSHIP

To amend its certificate for a new cell site, expanding its Richmond CGSA

FINAL ORDER

On September 9, 1993, Virginia Cellular Limited Partnership ("Applicant" or "Virginia Cellular") filed a letter with the State Corporation Commission ("Commission"), together with a modified service territory map depicting its new cell site near Mechanicsville, which would have the effect of expanding its Richmond MSA Cellular Geographic Service Area ("CGSA"). In its filing, the Applicant represented that the Federal Communications Commission ("FCC") had approved its application for a major modification to add this cell site.

Wherefore, in consideration of the Applicant's request and the applicable statutes, the Commission is of the opinion and finds that the CGSA granted Virginia Cellular by Certificate of Public Convenience and Necessity No. C-40D should be amended, and that the new Certificate of Public Convenience and Necessity issued herein should refer to the new service territory maps. Accordingly,

IT IS THEREFORE ORDERED:

(1) That this matter is hereby docketed and assigned Case No. PUC930026;

(2) That Certificate of Public Convenience and Necessity No. C-40D issued to Virginia Cellular Limited Partnership is hereby canceled and shall be reissued as Certificate No. C-40E. The new Certificate shall refer to the new service territory maps filed with this application; and

(3) That there being nothing further to come before the Commission, this docket is closed and the record developed herein shall be placed in the file for ended causes.

CASE NO. PUC930027
OCTOBER 6, 1993

APPLICATION OF
VIRGINIA CELLULAR LIMITED PARTNERSHIP

To amend certificate for new cell sites expanding Rural Service Area 12

FINAL ORDER

On September 9, 1993, Virginia Cellular Limited Partnership ("Virginia Cellular" or "Applicant") filed a letter with the State Corporation Commission ("Commission"), together with modified service territory maps, depicting the addition of cell sites at St. Stephens and at Port Royal which enlarge the Applicant's Virginia 12 - Caroline Rural Service Area ("RSA"). In its filing, the Applicant represented that the Federal Communications Commission ("FCC") had approved its applications for a major modification to add these cell sites.

Wherefore, in consideration of the Applicant's request and the applicable statutes, the Commission is of the opinion and finds that the RSA granted to Virginia Cellular by Certificate of Public Convenience and Necessity No. C-30C should be amended, and that the new Certificate of Public Convenience and Necessity issued herein should refer to the new service territory maps. Accordingly,

IT IS THEREFORE ORDERED:

(1) That this matter is hereby docketed and assigned Case No. PUC930027;

(2) That the Certificate of Public Convenience and Necessity No. C-30C issued to Virginia Cellular Limited Partnership is hereby canceled and shall be reissued as Certificate No. C-30D. The new Certificate shall refer to the new service territory map filed with this application; and

(3) That there being nothing further to come before the Commission, this docket is closed and the record developed herein shall be placed in the file for ended causes.

CASE NO. PUC930028
OCTOBER 6, 1993

APPLICATION OF
VIRGINIA CELLULAR LIMITED PARTNERSHIP

To amend certificate for the addition of a cell site in Virginia Rural Service Area 9

FINAL ORDER

On September 15, 1993, Virginia Cellular Limited Partnership ("Virginia Cellular" or "Applicant") filed a letter with the State Corporation Commission ("Commission"), together with a modified service territory map depicting the service contours resulting from the addition of a cell site at Stoney Creek, Virginia. This modification has the effect of expanding its Cellular Geographic Service Area ("CGSA") in Virginia Rural Service Area 9-Greensville. In its filing, the Applicant represented that the Federal Communications Commission had approved its application to add this cell site.

Wherefore, in consideration of the Applicant's request and the applicable statutes, the Commission is of the opinion and finds that the CGSA granted to Virginia Cellular by Certificate of Public Convenience and Necessity No. C-32C should be amended, and that the new Certificate of Public Convenience and Necessity issued herein should refer to the new service territory map. Accordingly,

IT IS THEREFORE ORDERED:

(1) That this matter is hereby docketed and assigned Case No. PUC930028;

(2) That Certificate of Public Convenience and Necessity No. C-32C issued to the Virginia Cellular Limited Partnership is hereby canceled and shall be reissued as Certificate No. C-32D. The new Certificate shall refer to the new service territory map filed with this application; and

(3) That there being nothing further to come before the Commission, this case is closed and the record developed herein shall be placed in the file for ended causes.

CASE NO. PUC930034
NOVEMBER 24, 1993

APPLICATION OF
METROMEDIA PAGING SERVICES, INC.

To amend its certificate to reflect new corporate name

FINAL ORDER

On November 23, 1993, Metromedia Paging Services, Inc. ("MPS" or "Applicant") filed an application describing how MPS, currently a wholly-owned subsidiary of Southwestern Bell Corporation ("Southwestern Bell") was to be acquired by Local Area Telecommunications, Inc. This acquisition would be accomplished by Local Area Telecommunications, Inc's. ("LOCATE's") purchasing all shares of stock in MPS from Southwestern Bell. Following the change of ownership, the name of MPS is to be changed to MobileMedia Communications, Inc. ("MobileMedia").

Virginia Code § 56-508.3 prohibits a radio common carrier from acquiring, directly or indirectly, ownership or control of any mobile radio telephone utility system without obtaining a certificate from this Commission. However, that section grants an exception for " . . . the acquisition and operation of any plant or system heretofore constructed under authority of a certificate of convenience and necessity hereafter issued." The transfer of stock from Southwestern Bell to LOCATE does not require the issuance of a certificate of public convenience and necessity because the regulated entity, MPS, already holds such a certificate and is not being altered by the change in its corporate shareholder. Moreover, the transfer is not subject to the Utility Transfers Act, Chapter 5 of Title 56 of the Code of Virginia.

By order entered February 10, 1993, in Case No. PUC930006, the Commission had authorized the cancellation of MPS's existing certificate, No. RCC-144a, at the time that its corporate name was changed to LOCATE Paging, Inc. That proposed name change never occurred and has been abandoned in favor of the name MobileMedia Communications, Inc. The Commission is of the opinion that when the name of MPS is changed to MobileMedia Communications, Inc., the existing certificate of MPS, No. RCC-144a, should be canceled and reissued in the name of MobileMedia Communications, Inc. Accordingly,

IT IS THEREFORE ORDERED:

(1) That upon completion of the change of the name of MetroMedia Paging Services, Inc. to MobileMedia Communications, Inc., the existing certificate of MPS, No. RCC-144a, shall be canceled and reissued as No. RCC-144b to MobileMedia Communications, Inc., formerly MetroMedia Paging Services, Inc.; and

(2) That there being nothing further to come before the Commission, this matter is dismissed and the record developed herein shall b placed in the file for ended causes.

DIVISION OF ENERGY REGULATION

CASE NO. PUE840038
OCTOBER 22, 1993

APPLICATION OF
ROANOKE GAS COMPANY

For approval of a Special Emergency Fund Program

ORDER CLOSING SPECIAL PROGRAM

On October 6, 1993, Roanoke Gas Company ("Roanoke") filed a letter notifying the Commission that it was not planning to renew its agreement with Citizens Energy Corporation ("Citizens"). This program was initiated in 1984 because the agreement with Citizens and the funds that Citizens could deliver as a result of its gas purchases. Without further participation by citizens, there is no need to keep the Program open.

The letter from Roanoke indicates that it does intend to keep its "Heatshare Program" in operation and will continue to collect contributions from its customers and remit those contributions to the Salvation Army for disbursement at its discretion. That program is entirely voluntary and needs no authorization from the Commission. Accordingly,

IT IS THEREFORE ORDERED that this matter is dismissed and the papers filed herein shall be placed in the file for ended causes.

CASE NO. PUE860079
JUNE 25, 1993

PETITION OF
LAKE WILDERNESS PROPERTY OWNERS ASSOCIATION, et al.

To investigate the service and tariff of Wilderness Water and Utility Company

ORDER OF SETTLEMENT

On February 19, 1993, the State Corporation Commission issued a Rule to Show Cause ("Rule") against Wilderness Utility Associates, Inc., t/a Wilderness Water and Utility Company ("Wilderness" or "the Company") and its President, John J. Hall, for alleged violations of the Commission's November 10, 1992 Order ("Order"). In the Rule the Commission directed the Company and Mr. Hall to appear and show cause, if they could, why appropriate penalties and sanctions should not be imposed pursuant to Va. Code §§ 12.1-13 and 12.1-33.

In issuing the Rule, the Commission relied on Staff's Motion Requesting Appropriate Sanctions and Penalties, the Hearing Examiner's January 26, 1993 Interim Report, and the Comments filed by the Lake Wilderness Property Owners Association ("POA"). In its January 25, 1993 Motion, the Staff of the Commission's Division of Energy Regulation ("the Division"), by its counsel, alleged the following violations of the Commission's Order:

1. That the Company has not installed a storage tank and booster pumps at Well Site #2 in accordance with the Commission's directives in ordering paragraph (3);

2. That the Company has not updated its system maps to show the location of its water lines, nor has it pinpointed and identified service complaints and line breaks on these maps as required by ordering paragraph (6);

3. That the Company has failed to provide a local 24-hour emergency telephone number for customers to notify the Company of outages, line breaks, or other emergency problems as required by ordering paragraph (8);

4. That the Company has not instituted an effective water flushing program in accordance with Virginia Department of Health ("VDH") requirements, nor has the Company installed shut-off and blow-off valves in those areas where service lines cannot be flushed effectively as required by ordering paragraph (10);

5. That the Company has not instituted a monitoring program to determine the actual levels of iron and manganese in its water supply in accordance with the requirements of VDH in ordering paragraph (11); and

6. That the Company has not conducted any 48-hour drawdown tests at Well #2, Well #4, and Well #6 in accordance with the requirements of VDH in ordering paragraph (14).

In an answer filed by Mr. Hall on April 16, 1993, and incorporated into a pleading filed by counsel for the Company and Mr. Hall on April 28, 1993, the Company and Mr. Hall denied the truth of every allegation in the Commission's Rule. As an offer to settle all matters arising from the allegations made against the Company and Mr. Hall, the Company undertakes that it will do the following:

(1) The Company will pay a fine in the amount of thirty thousand dollars ($30,000) to the Commonwealth of Virginia. This amount is due as outlined in paragraph 2 below and will be suspended in whole, or in part, provided that the Company tenders the requisite certification supported by the Division's verification that Company has completed specific remedial action on or before the scheduled date for completion of said remedial action. At the completion of all remedial action outlined below, the Commission will vacate any outstanding amounts. Any payments which become due will 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.

(2) The Company will take remedial action pursuant to the following schedule:

(A) System maps

On or before July 1, 1993, the Company will tender to the Commission a notarized affidavit by the president of Wilderness ("affidavit") certifying that the Company's system maps have been updated to show the location of water lines and have identified and pinpointed service complaints and line breaks.

Upon timely receipt of said affidavit and verification by the Division, the Commission will suspend five thousand dollars ($5,000) of the amount specified on page 2, numbered paragraph (1) of this Order. Should the Company fail to tender said affidavit by July 1, 1993, a payment of five thousand dollars ($5,000) shall become due. The Company must immediately notify the Division of the reasons for such failure. Upon investigation, if the Division determines that the reason for said failure justifies a payment lower than five thousand dollars ($5,000), it may recommend to the Commission a reduction in the amount due. Upon Commission certification of the amount due, the Company shall immediately tender to the Commission said amount.

(B) Customer complaints

On or before September 30, 1993, December 31, 1993, March 31, 1994, and June 30, 1994, the Company will tender to the Commission an affidavit signed by the President of the Company certifying that the Company maintains an adequate plan for responding to customer complaints including those telephone calls to its answering service. The affidavits should note whether there has been a prompt response to customer complaints (within a 24-hour period) since the date of this Order. The affidavits should also outline the procedure for the receipt of customer complaints by any answering service, detailing the procedure for a timely response by the Company.

Upon timely receipt of said affidavits and verification by the Division, the Commission will suspend one thousand two hundred fifty dollars ($1,250) for each affidavit for a total of five thousand dollars ($5,000) of the amount specified on page 2, numbered paragraph (1) of this Order. Should the Company fail to tender one or more affidavits by the dates specified herein, a payment of one thousand two hundred fifty dollars ($1,250) per unfiled affidavit shall become due. The Company must immediately notify the Division of the reasons for such failure(s). Upon investigation, if the Division determines that the reason for said failure(s) justifies a payment lower than one thousand two hundred fifty dollars ($1,250) per unfiled affidavit, it may recommend to the Commission a reduction in the amount(s) due. Upon the Commission's certification of the amount(s) due, the Company shall immediately tender to the Commission said amount(s).

(C) Shut-off and blow-off valves

On or before August 1, 1993, the Company will tender to the Commission an affidavit certifying that the Company has completed proper installation of all shut-off and blow-off valves necessary for effective line flushing in Sections 2-11 and 12-16.

Upon timely receipt of said affidavit and verification by the Division, the Commission will suspend ten thousand dollars ($10,000) of the amount specified on page 2, numbered paragraph (1) of this Order. Should the Company fail to tender said affidavit by August 1, 1993, a payment of ten thousand dollars ($10,000) shall become due. The Company must immediately notify the Division of the reasons for such failure. Upon investigation, if the Division determines that the reasons for said failure justify a payment lower than ten thousand dollars ($10,000), it may recommend to the Commission a reduction in the amount due. Upon the Commission's certification of the amount due, the Company shall immediately tender to the Commission said amount.

(D) Yield and drawdown tests

On or before July 1, 1993, the Company will tender to the Commission an affidavit certifying that the Company has completed yield and drawdown tests for Wells # 2, # 4, and #6 in accordance with VDH requirements.

Upon timely receipt of said affidavit and verification by the Division, the Commission will suspend ten thousand dollars ($10,000) of the amount specified on page 2, numbered paragraph (1) of this Order. Should the Company fail to tender said affidavit by July 1, 1993, a payment of ten thousand dollars ($10,000) shall become due. The Company must immediately notify the Division of the reasons for such failure. Upon investigation, if the Division determines that the reason for said failure justifies a payment lower than ten thousand dollars ($10,000), it may recommend to the Commission a reduction in the amount due. Upon the Commission's certification of the amount due, the Company shall immediately tender to the Commission said amount.

(3) The Company will also pay contemporaneously with the entry of this Order the sum of five thousand dollars ($5,000) to defray the costs of the investigation of this matter by Commission Staff. This payment will be made by check, payable to the Treasurer of the Commonwealth and directed to the attention of the director of Energy Regulation.

(4) On or before July 1, 1993, the Company will tender to the Commission an executed contract which contains provisions for the operation of the Wilderness water system by a qualified operator (class IV or better). Such contract shall be with an unaffiliated entity and shall include provisions which allow the operator to make operating and maintenance decisions relating to the water system's day to day operations, including but not limited to, responding to customer complaints, water outages and other operational problems. Compliance with the provisions of this paragraph may encompass the remedial actions specified in paragraph (2) referenced above.

(5) The Company will take long range actions relative to the following schedule:

(A) Water supply - Well # 5

(1) On or before August 1, 1993, the Company will submit to the Division a plan specifying all explored water supply options for Sections 2-11, including bringing on-line Well # 5. This plan should also include a schedule for implementation of the supply options.

(2) On or before September 1, 1993, the Company will submit its chosen plan and all applications for permits required by VDH and all other necessary regulatory agencies.

(3) Upon receipt of all necessary approvals from VDH and all other regulatory agencies, the Company will add Well # 5 to its water supply system as soon as practicable but no later than six months after Company's receipt of all necessary permits. The addition of Well # 5 shall include all necessary water treatments, including but not limited to, those treatments required by VDH.

(B) Water supply - Sections # 12-16

(1) On or before September 1, 1993, the Company will submit to the Division a plan outlining the different options and a schedule for implementation of an additional source of water supply for Sections 12-16 ("water supply plan").

(2) On or before January 1, 1994, the Company will submit the water supply plan and all applications for permits required by VDH and all other necessary regulatory agencies.

(3) Upon receipt of all approvals from VDH and all other regulatory agencies, the Company will bring on-line the water supply plan as soon as practicable but no later than six months after Company's receipt of all necessary permits. The implementation of the water supply plan will include all required treatments, including but not limited to, those treatments required by VDH.

(C) Iron and manganese

(1) On or before September 1, 1993, the Company will submit to the Division a plan specifying the different options and a schedule for treatment of iron and manganese at all of the Company's wells ("iron and manganese treatment plan").

(2) On or before October 1, 1993, the Company will submit the iron and manganese treatment plan and all applications for permits required by VDH and all other necessary regulatory agencies.

(3) On or before June 30, 1994, the Company will implement the iron and manganese treatment plan approved by VDH and all other necessary regulatory agencies. The implementation will include all required treatments, including but not limited to, those required by VDH and all other necessary regulatory agencies.

(6) The Company shall continue to comply with all the provisions of the Commission's Order dated November 10, 1992 issued in Case No. PUE860079.

(7) Any fines or costs paid in accordance with this Order shall not be recovered in the Company's rates as part of its cost of service. Any such amounts shall be booked in the Uniform System of Account No. 426. The Company shall verify this booking by filing a copy of the trial balance showing this entry with the Division of Public Utility Accounting.

The Commission having been fully advised in the premises and finding sufficient basis herein for the entry of this Order, and in reliance on the Company'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 Va. Code § 12.1-15, the offer of compromise and settlement made by Wilderness Utility Associates, Inc., t/a Wilderness Water and Utility Company be, and it hereby is, accepted;

(2) That the Company shall timely comply with the remedial and long term actions outlined herein;

(3) That the failure of the Company to so comply with said remedial and long term actions may result in the initiation of a Rule to Show Cause proceeding against the Company for violations of this Order;

(4) That the Company's thirty thousand ($30,000) fine is due as outlined herein and will be suspended and subsequently vacated, in whole or in part, provided that the Company timely tenders certification and the Division verifies that such remedial action has been accomplished as outlined herein;

(5) That, pursuant to § 12.1-15, the Company shall pay the sum of five thousand dollars ($5,000) to defray the costs of this investigation;

(6) That the sum of five thousand dollars ($5,000) tendered contemporaneously with entry of this Order is hereby accepted;

(7) That the Company will tender to the Commission an executed contract for operation of the Wilderness water system on or before July 1, 1993, as specified above; and

(8) That the Commission retains jurisdiction over this matter until further order of this Commission.

CASE NO. PUE880055
APRIL 27, 1993

APPLICATION OF
RIVER LAKE WATER AGENCY, INC.

For a certificate of public convenience and necessity

DISMISSAL ORDER

On June 18, 1988, River Lake Water Agency, Inc. ("River Lake" or "Company") filed with the State Corporation Commission an application for a certificate of public convenience and necessity. In its application, River Lake requested authority to provide water service to an area known as Lakeville Estates. Lakeville Estates is a residential subdivision located in Virginia Beach, Virginia.

On July 31, 1991, River Lake requested permission to amend its application to reflect its request to transfer the existing certificate of Lakeville Estates Water Corporation ("Lakeville") pursuant to Virginia Code § 56-265.3(D). Lakeville, the predecessor corporation of River Lake, had formerly provided water service to the Lakeville Estates subdivision pursuant to authority granted in Certificate No. W-101A.

Subsequently, the City of Virginia Beach ("the City") advised Staff in a letter dated September 3, 1991, of its intent to acquire the River Lake water system. By letter dated April 1, 1993, the City, by its counsel, advised the State Corporation Commission that it had acquired the assets of the River Lake Water System with service to be provided by the City on and after March 29, 1993.

NOW THE COMMISSION, having considered the above-referenced matter, is of the opinion that this case should be dismissed from the Commission's docket. Accordingly,

IT IS ORDERED that this matter be, and hereby is, dismissed from the Commission's docket of active cases and the papers passed to the file for ended causes.

CASE NO. PUE890028
APRIL 14, 1993

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For approval to implement Pilot Central Air Conditioning Control Program, Rider A/C

ORDER EXTENDING EXPERIMENT

By order of March 24, 1992, the Commission extended Virginia Power's experimental Central Air Conditioning Control Service Rider through November 30, 1992. By letter dated March 12, 1993, Virginia Power requested that it be extended on experimental basis through the summer of 1993.

The Commission is of the opinion that the request should be granted and that this experiment should continue upon the terms stated in the tariff revision filed February 4, 1992. Accordingly,

IT IS THEREFORE ORDERED:

(1) That Virginia Power's experimental Central Air Conditioner Control Service Rider may continue through December 31, 1993 upon the terms stated in the tariff revision filed February 4, 1992; and

(2) That Virginia Power continue to comply with the filing and reporting requirements of the previous order of May 15, 1989.

CASE NO. PUE890041
APRIL 14, 1993

PETITION OF
LG&E DEVELOPMENT CORPORATION
(Formerly Hadson Development Corporation, formerly Ultrasystems Development Corporation and UtilCo Group, Inc.)

For arbitration of a power purchase agreement with BARC Electric Cooperative, Community Electric Cooperative, Mecklenberg Electric Cooperative, Northern Neck Electric Cooperative, Inc., Northern Virginia Electric Cooperative, Prince George Electric Cooperative, Rappahannock Electric Cooperative, Shenandoah Valley Electric Cooperative, and Southside Electric Cooperative, Inc.

DISMISSAL ORDER

On April 5, 1993, Glenn P. Richardson, Arbitrator, filed his final report in the captioned arbitration proceeding. Therein,the Arbitrator reported the arbitration had been successfully concluded. Old Dominion Electric Cooperative ("ODEC")[1] and LG&E Power Systems, Inc. ("LPS"), the parent corporation of LG&E Development Corporation, have now voluntarily entered into a contract in settlement of their dispute. The Commission concurs with the Arbitrator's findings and recommendations that the parties' Joint Motion to Withdraw Petition for Arbitration and Close Docket therefore should be granted; and that the cooperatives' Motion to Withdraw Motion to Dismiss Arbitration and Close Docket should also be granted. The Commission also concurs with the Arbitrator that the contract entered into as a result of this arbitration is not subject to the competitive bidding rules adopted by the Commission on December 28, 1990. We make this finding based strictly on the facts of this case, however, and without any precedential effect on other cases. Accordingly,

IT IS ORDERED:

(1) That the findings and recommendations of the Arbitrator shall be, and hereby are, adopted;

(2) That the parties' Joint Motion to Withdraw Petition for Arbitration and Close Docket shall be, and hereby is, granted;

(3) That the cooperatives' Motion to Withdraw the Motion to Dismiss Arbitration and Close Docket shall be, and hereby is, granted; and

(4) That there being nothing further to be done in this matter, this proceeding shall be, and hereby is, dismissed from the docket with prejudice and the papers placed in the file for ended causes.

[1]ODEC had been designated by the named cooperatives to act as their agent in this proceeding.

CASE NO. PUE890074
MAY 27, 1993

APPLICATION OF
THE POTOMAC EDISON COMPANY

To revise its fuel factor and cogeneration tariffs pursuant to Virginia Code § 56-249.6 and PURPA § 210

FINAL AUDIT FOR TWELVE-MONTH PERIOD ENDED DECEMBER 31, 1990

By previous order dated November 28, 1989, Case No. PUE890074, the Commission established a fuel factor of 1.133¢/kwh for The Potomac Edison Company ("Potomac Edison") effective with the billing month of December, 1989. This factor remained operative through December 31, 1990.

The Commission's Staff investigated the level of jurisdictional fuel expenses incurred and revenues collected by Potomac Edison during the twelve months ended December 31, 1990, and filed a report on September 23, 1992. Staff concluded that the for twelve month period ended December 31, 1990:

- Potomac Edison's delivered fuel prices were reasonable;
- Potomac Edison's generating unit performance was reasonable;
- Potomac Edison's generating unit thermal efficiencies were reasonable;
- Potomac Edison's level of interchange power and the associated cost were reasonable;
- Potomac Edison's reported fuel expenses conform to the Commission's definitional framework of fuel expenses; and
- Potomac Edison was in a cumulative under-recovery position of $168,740.

On April 21, 1993 the Commission entered an order providing interested parties an opportunity to comment on the Staff's report. No comments were filed in this matter.

NOW, THE COMMISSION, having considered the record herein, finds that as of December 31, 1990, Potomac Edison experienced an under-recovery of its jurisdictional fuel expenses in the amount of $168,740. Accordingly,

IT IS ORDERED that the cumulative recovery position found herein shall be used in the calculation of Potomac Edison's future fuel expense recovery position.

IT IS FURTHER ORDERED that Case No. PUE890074 be, and the same is hereby, continued generally.

CASE NO. PUE900052
JULY 21, 1993

PETITION OF
TELLUS, INC.

For arbitration of a power purchase agreement with Virginia Electric and Power Company

ORDER DISMISSING PETITION

On June 10, 1993, Virginia Electric & Power Company, ("Virginia Power" or the "Company") filed a Motion to Dismiss Arbitration and Close Docket in the captioned matter. In support thereof, Virginia Power stated that LG&E Development Corporation ("LDC") had previously been identified as "the successor in interest to Tellus, Inc., with respect to this proceeding." Report of Tellus, Inc. on Unresolved Contract Issues filed May 29, 1992. Since then, all participation on behalf of the developer in the arbitration appeared to have been conducted by LDC.

LDC subsequently requested, by letter dated February 8, 1993, and was granted leave to withdraw from this proceeding. LDC, however, noted in its letter of February 8, 1993, that Tellus, Inc. ("Tellus") was also a party to this arbitration.

Virginia Power stated in its Motion to Dismiss that it had not had any communication from Tellus or anyone purporting to be counsel for Tellus. Virginia Power, therefore, believed that this matter should be dismissed and the docket closed.

On June 18, 1993, Tellus responded to Virginia Power's Motion to Dismiss. Therein, Tellus asserted that it would be inappropriate to dismiss the arbitration. In support of its assertion, Tellus stated that it was actively seeking a partner to replace LDC. Tellus also advised that it would not engage new legal counsel until it selected a new partner. In support of its assertion that it was actively pursuing the project, Tellus coul only advise that it was continuing discussions with gas suppliers and transporters, continuing discussions with gas turbine equipment suppliers and

turnkey contractors, continuing discussions with a land owner which owns an unidentified potential site and steam host for the project, and continuing discussions with potential debt and equity partners for financing the project.

The Commission, upon consideration of Virginia Power's Motion to Dismiss and Tellus' response, is of the opinion and finds that this case should be dismissed. After more than six years from the initial offer to sell power to Virginia Power, Tellus has not offered the Commission any evidence that it now has a financially viable project on a specified site using specified technology, fuel and equipment to support an identified energy need. The original proposal has changed dramatically from time to time, and currently there are no details offered to support its viability. A brief recitation of the history of this case will illustrate our point.

Tellus and Virginia Power first commenced negotiations in September of 1986. Shortly thereafter, in December of 1986, Virginia Power instituted its first solicitation program. As part of this program, it informed all potential cogenerators, including Tellus, that they would have to bid to sell power to the Company and that all previous negotiations were accordingly terminated.

In May of 1987 Tellus petitioned this Commission for a declaration that Virginia Power was required to negotiate a power purchase agreement with Tellus. That original petition filed by Tellus stated that it was a developer of a cogeneration facility in Loudoun County, Virginia, five miles southeast of Leesburg in Virginia Power's Northern Division, adjacent to its Pleasant Valley substation. The facility was further described by Tellus as a 208 MW gas-fired, combined cycle plant consisting of a combustion turbine-generator set, an exhaust gas heat recovery steam generator, a steam turbine-generator set, and an air cooled steam condenser. Tellus explained that low pressure steam would be extracted from the steam turbine and sold to a nearby regional waste processor, where the steam would be employed for heating and drying. It also stated that the facility would have the capability of using natural gas or distillate fuel (No. 2 oil).

On December 21, 1988, in response to that petition, we directed Tellus and Virginia Power promptly to initiate negotiations. Petition of Tellus, Inc., Case No. PUE870046, 1988 S.C.C. Ann. Rpt. 290.

A purchase power contract seemed imminent in April 1990. Tellus filed a Petition to Reinstate Arbitration, to which Virginia Power agreed, which recited that the parties had reached an agreement for a 356 MW plant to be located in Prince William County and that all that remained was for the Commission to enter an order directing that the contract be executed. In response we issued an order on July 23, 1990, in which we stated that, although the Commission has always been available to arbitrate issues involving power purchase contracts for large qualifying facilities when the parties have reached an impasse, we have declined to give prior approval to such contracts. We therefore denied Tellus' motion. Petition of Tellus, Inc., Case No. 900030, Order Denying Motion dated July 23, 1990.

By late summer of 1990, the position which the parties had seemingly achieved in April of that year had eroded. On August 27, 1990, Tellus again filed a Petition for Arbitration asking that we settle a dispute over the method of determining the price to be paid for capacity. The petition said that Virginia Power questioned whether it was appropriate to use a methodology based on the circumstances in the 1986-1987 time-frame, when the Company had recently calculated that such a method would impose higher costs on its customers than other alternatives. Another issue at that time was whether that methodology should be applied only to the roughly 200 megawatt facility envisioned in the December 21, 1988 order, or whether it should also be applied to the facility on which the parties were currently negotiating, about 350 megawatts.

After oral argument, the Commission issued an order on November 30, 1990, finding that the central issue was, as noted above, whether the methodology used to determine capacity pricing in the previously presented agreement was appropriate under the current circumstances. We found that it was not. We said that payments to Tellus for a project of the originally proposed size should be based on 1986-1987 avoided costs, since a plant of that magnitude was originally offered by Tellus. That also reflected the reservation of capacity made for Tellus pending the outcome of negotiations. However, the Tellus proposal as of the fall of 1990, envisioned a 350 megawatt unit. We held that Tellus did not offer that extra capacity until 1989, and it would therefore be appropriate to price that increment at 1989 avoided costs.

On May 7, 1991, Tellus filed a motion for the appointment of an arbitrator and listed issues which it felt continued to divide the parties. Virginia Power responded, and on June 27, 1991, the Commission entered an order appointing Senior Hearing Examiner Russell W. Cunningham as arbitrator. That order recited that the parties agreed that two issues required arbitration. As before, the two issues were the appropriate pricing methodology for the original project and for the added increment of capacity. Arbitrator Cunningham promptly resolved those issues by ruling of July 31, 1991.

A Motion for Expansion of Arbitrator's Authority was subsequently filed advising that additional issues remained in controversy between the parties and needed resolution. We then concluded that the most appropriate course was for the Commission to arbitrate the dispute directly in an effort to bring it to closure. The parties were directed to file reports, and a meeting with the Commission in its role as arbitrator was scheduled by order dated January 14, 1993.

After a series of motions for postponement of both the filing date for the reports and the first scheduled meeting, the required reports were filed on May 29, 1992, in camera. Numerous other pleadings were filed, and the first arbitration meeting, at the request of Tellus, was continued generally until after September 20, 1992. The Commission provided that after that date either party could move the Commission to establish a new date for the meeting.

In early 1992 the Commission was also advised by LDC that the developer had dropped its proposal to build a 350 megawatt unit. Discussions, once again, centered on the same size unit as proposed at the time of our December 1988 order, approximately 200 megawatts.

Now, particularly with LDC's withdrawal from this proceeding, the proposed project does not appear viable. Clearly, the project originally proposed in Loudoun County adjacent to its Pleasant Valley substation has long been abandoned. In its recent response to Virginia Power's Motion to Dismiss, Tellus is only able to allege that it is continuing discussions with potential partners, fuel suppliers, site land owners, steam hosts, equipment suppliers, and turn-key contractors. After six years a developer must have more to offer to continue arbitration. If Tellus wants to make a new offer to sell power to Virginia Power, it is certainly free to participate in the next solicitation for capacity. However, the time has long passed for us to continue to rely on the previous proposals of Tellus to serve the needs of Virginia electric customers after years of shifting, and now vague descriptions of a project.

The Commission, therefore, finds that this matter should be dismissed. Accordingly,

IT IS ORDERED that the Petition of Tellus, Inc. for arbitration of a power purchase agreement with Virginia Electric and Power Company shall be, and hereby is, dismissed.

Commissioner Moore did not participate in the decision of this case.

CASE NO. PUE900066
OCTOBER 28, 1993

APPLICATION OF
COMMONWEALTH GAS PIPELINE CORPORATION

For authority to cancel certificates of public convenience and necessity and gas tariff

DISMISSAL ORDER

On December 11, 1990, Commonwealth Gas Pipeline Corporation ("Commonwealth Pipeline") filed a letter notifying the Commission of the December 7, 1990 Federal Energy Regulatory Commission ("FERC") order in Docket No. CP90-644-0000, authorizing the merger of Commonwealth Pipeline, a Virginia intrastate natural gas pipeline regulated by the Commission, into Columbia Gas Transmission Corporation, an interstate natural gas pipeline regulated by the FERC ("the Merger"). The letter further stated that since the Merger was scheduled to be effective as of December 11, 1990, Commonwealth Pipeline requested that all of its existing certificates of public convenience and necessity issued by the Commission and Commonwealth Pipeline's existing gas tariff on file with the Commission be canceled, effective December 11, 1990.

Several requests for rehearing or clarification of the FERC December 7, 1990 order were subsequently filed. On July 25, 1991, the FERC issued its "Order Denying Rehearing and Clarifying Order" which was further clarified by the FERC's "Order on Reconsideration" dated August 21, 1992. It now appears that the FERC does not intend to revisit its approval of the Merger, therefore, the Commission finds that it is in the public interest to cancel the existing certificates of public convenience and necessity and the existing gas tariff. Accordingly,

IT IS ORDERED that the existing certificates of public convenience and necessity and the gas tariff of Commonwealth Pipeline are hereby canceled. As there is nothing further to be done in this matter, it is further ordered that this case be, and hereby is, dismissed from the docket of active cases.

CASE NO. PUE900070
JUNE 28, 1993

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION

Ex Parte: In Re: Investigation of conservation and load management programs

ORDER ISSUING RULES ON COST/BENEFIT MEASURES

On March 27, 1992, the Commission issued an order addressing the role of energy conservation and load management practices by electric and gas utilities. We recognized the importance of conservation and load management as part of the integrated planning strategy necessary to make utility service efficient and affordable. We also reversed our long-standing prohibition against promotional allowances because such promotions, when designed to encourage cost effective conservation and load management programs, could be in the public interest. However, a pivotal question had not been explored in the depth necessary for us to make a reasoned decision at that time. Specifically, what cost/benefit methodology should be used to evaluate proposed programs designed to conserve energy or better balance utilities' loads? At our direction, the Staff organized a task force to analyze the requisite data and recommend an appropriate test, or combination of tests, with which to evaluate conservation and load management proposals. We advised that the effort need not address questions on quantifying environmental externalities. While we believe it is important for the Commission to consider environmental factors in rendering our decisions from a qualitative standpoint, in our opinion, we lack the statutory authority to go beyond such considerations and attempt to quantify the impact of externalities. See Virginia Code §§ 56-235.1 and 56-235.2.

The task force was made up of the Secretary of Natural Resources and representatives from Appalachian Power Company, Potomac Edison, Commonwealth Gas Services, Washington Gas Light, Southern Environmental Law Center, the Office of the Attorney General, Sycom Enterprises, Old Dominion Electric Cooperative, Virginia Electric and Power Company, Virginia Natural Gas, the American Lung Association, the Virginia Committee for Fair Utility Rates, and the State Corporation Commission Staff.

On February 9, 1993, the Staff filed its report providing an overview of current conservation and load management (demand-side management or "DSM") programs of utilities in Virginia and the Commission's policy regarding such programs. The report identified the key concepts and issues that influence the choice and application of cost/benefit tests to DSM programs. It reviewed available tests and discussed their uses, advantages, and disadvantages. Finally, the report addressed the numerous policy and technical issues associated with the use of cost/benefit tests and offered conclusions and recommendations for the Commission's consideration. The report reflected many of the positions discussed by the task force in meetings convened from June 1992 through September 1992, but it did not constitute a consensus of the task force.

The principal goal of the Staff report was to identify the test or tests which should be used to determine the economic costs and benefits of DSM programs. Staff identified five tests in common use across the United States. Those tests included the Participants Test, the Utility Cost Test, the Ratepayer Impact Measure ("RIM") Test, the Total Resource Cost ("TRC") Test, and the Societal Test. Staff identified the uses and goals of each test.

The Participants Test measures the quantifiable benefits and costs of a program to the participating customer. The Utility Cost Test measures the cost of a DSM program incurred by the utility, excluding costs incurred by the participant. The RIM Test measures the difference between the change in total revenues paid to the utility and the change in total costs to a utility resulting from the DSM program. This test is also called the Nonparticipant Test or the No Losers Test. The TRC Test measures the cost of a program as a resource option to the utility and its ratepayers as a whole. This test is also known as the All Ratepayers Test.

The Staff also identified the Societal Test as a measure used in some states. This test attempts to quantify the change in total resource cost to society as a whole. It takes into account external factors such as the environment, health, safety, and local economic effects. As already noted, however, the Commission previously found that existing statutory authority precludes us from quantifying externalities. The Staff, therefore, focused on the first four tests in its report.

Staff concluded that no one cost/benefit test provides all of the information necessary for Virginia utilities, the public, and this Commission to evaluate the impact of a DSM program. Each test has strengths and limitations in the information it provides. Therefore, Staff recommended that Virginia utilities be directed to conduct quantitative cost/benefit analyses from four perspectives: from the perspective of the program participant, the nonparticipant, the utility, and all ratepayers. All the tests identified above, except the Societal Test, provide information that can collectively contribute to a broad understanding of the impact of a particular program. Thus, Staff believed that such a multi-perspective approach would provide information necessary to strike the proper balance among the interests of all parties affected by any proposed program.

Staff also discussed the types of DSM programs to which the tests applied. Staff noted that different utilities will pursue different load shape objectives and thus demand side programs might reduce peak loads, shift load, build off-peak load, or contribute to a general reduction of sales throughout the day. Staff further observed that some DSM programs can contribute to a general increase in sales and greater market share. While recognizing that many programs do not fit neatly into one particular category, Staff identified six general categories of DSM programs: peak clipping, valley filling, load shifting, strategic conservation, strategic load growth, and flexible load shape. Staff observed that a cost/benefit test that provides useful information for one type of program may not provide meaningful information when applied to a different category of DSM program, again highlighting the importance of a multi-perspective approach.

Staff stressed the importance of the use of accurate data in the cost/benefit analysis. It proposed a set of minimum guidelines for data input and modeling assumptions to facilitate the development and use of meaningful data. Minimum standards, Staff asserted, are important to assure thorough analyses are performed and to provide all participants in a proceeding with a basic understanding about how the data are being developed.

Staff made no specific recommendation with regard to the issue of the application of tests to individual programs versus groups of programs. However, the Staff noted that a utility proposing a package of programs should be able to provide cost/benefit analyses of the individual components of the package.

The Staff fully supported the practice of developing experimental or pilot DSM programs prior to applying for full-scale program implementations. Staff suggests that such experimental programs be carefully structured to acquire the data necessary for evaluation. Also, they should be limited in scope so that the number of participants, the program budget, and the time period are appropriate for experimental purposes. Since the purpose of a pilot program is to gather data for evaluation, a full cost/benefit analysis likely will not be possible. The Staff even suggests that experimental programs that do not involve promotional allowances or new rates need not be subjected to a formal Commission approval process.

For many DSM programs, the key stakeholders are the utility initiating the program, the utility's customers likely to participate in the program, and the utility's customers that are not likely to participate in the program. However, some DSM programs have a significant impact on a customer's choice of fuels, and accordingly, another group of potential stakeholders are the alternative energy suppliers that may be affected by the implementation of the DSM program. In its report, the Staff noted that the opinions on whether and how to include the potential impact on alternative energy suppliers in the cost/benefit analysis generated a wide divergence of opinion on the task force.

Staff believed that the assessment of the effects on alternative energy providers may be appropriate in certain instances where the effect is associated with proposed DSM programs that increase sales or involve promotional allowances. Realistically, however, Staff recognized that it may be impractical for an applicant to consider the impact of a DSM program on alternative energy suppliers and that the burden of such an analysis may actually discourage utilities from pursuing programs that may otherwise be viable. Staff, therefore, proposed that the Commission consider the effect on alternative suppliers from proposed promotional allowance programs and any program resulting in increased sales of the sponsoring utility, but only if such programs are likely to have a significant effect on the sales of alternative energy suppliers. Staff further recommended at the hearing that, if the Commission determines such an effect should be considered, the burden be placed on the alternative energy supplier to quantify that impact. Notice to the alternative energy supplier thus becomes crucial.

Finally, Staff discussed the importance of verification of DSM program impacts. The utilities, the public, and the Commission must see the results of programs to determine if the programs are beneficial and should continue. Monitoring should measure both long-term and short-term effects of any programs. Evaluation of program impacts, of course, can be directly measured by calculating changes in energy use and comparing measurements made at different times. Direct measurements might include customer billing, whole building metering, and end-use metering. A second approach to evaluation can be engineering modeling. This approach would rely heavily on measuring the energy consumption characteristics of equipment and appliances. In any event, DSM programs must produce measurable results, particularly as those programs grow in size and cost.

Task force members and other interested participants filed written comments on the Staff's report. Several of those participants also presented oral comment to the Commission on April 15, 1993. The participants generally applauded the Staff's recommendations. Parties generally

agreed with Staff's observation that every one of the tests offers valuable information that can be used in evaluating proposed programs. Some participants unconditionally supported Staff's multi-perspective approach emphasizing the importance of flexible interplay between and among all available tests, particularly the TRC and the RIM Tests. Those participants further cautioned that reliance on one particular method could produce unintended consequences.

Several participants, while supporting a multi-perspective approach, recommended that the Commission establish a threshold test for determining the cost effectiveness of DSM programs. Any program which could not meet the threshold test would be disqualified from further consideration without application of the other tests. Those participants, however, differed on whether the TRC Test or the RIM Test should be used as the primary or threshold test. Those favoring use of the TRC Test as a threshold measure argued that dependence upon the RIM Test virtually guaranteed failure of programs that would improve customer energy efficiency. They asserted that the TRC test offered the broadest view of the costs and benefits of proposed programs and therefore would not result in a premature elimination of potential conservation DSM options. Opponents to use of the TRC Test as a threshold test asserted that the TRC Test ignores the issue of cross subsidies between program participants and nonparticipants and also screens out strategic load building programs.

A number of participants also emphasized that experimental pilot DSM programs, before full-scale implementation, are important aids to utilities and facilitate prudent decisions concerning DSM programs and expenditures for such programs. They provide an important opportunity for the Commission and interested parties to review the program before substantial commitments are made. Information gathered through such pilots are better indicators of full-scale implementation than using national or regional statistics. A number of commenters supported Staff's recommendation that utilities should be allowed to implement some pilot DSM programs without prior Commission approval, recognizing that pilot programs involving promotional allowances or having rate impacts should continue to be subject to mandatory prior Commission approval. They generally agreed that any proposed DSM program that would increase sales also should be reviewed prior to its implementation, even if approved on a pilot basis, and that the approval should be based on a preliminary cost/benefit analysis. Others emphasized the importance of regulatory oversight of DSM programs. They recognized that experimental or pilot programs may, indeed, be necessary to accumulate data, but stressed that some such programs still fall well outside the provision of traditional utility services. They also noted that some experimental programs can be quite extensive.

Several gas companies asserted that the effects on alternative energy suppliers can and should be quantified and considered directly in the cost/benefit analysis. They asserted that the utility proposing the program should conduct that analysis. Representatives from electric utilities, on the other hand, urged the Commission to consider the impacts on alternative fuel suppliers only when a promotional practice was involved and there were significant impacts which could be clearly measured and quantified. Even in those cases, electric representatives emphasized that a procedure for obtaining the relevant data would be necessary and potentially difficult to implement. Electric representatives also expressed concern that their competitors have attempted to use Commission proceedings to discourage effective competition. This competition, they stated, has encouraged beneficial results and is desirable. They cautioned that the boundless extension of considerations of the impact on alternative fuel suppliers to any DSM program that increased sales would tend to diminish competition, dampen proposals for new DSM programs, and encourage arguments by competitors to advance their own marketing agendas. Competition, it was asserted, should be encouraged and not diminished by intervention from the regulators.

Finally, one participant, the Southern Environmental Law Center ("SELC"), while commenting on the specific questions raised in this proceeding, also argued that the Commission must establish clear and firm guidance to move utilities beyond the status quo. SELC believed that the free market would not capture more than a small increment of this important resource due to numerous barriers, foremost of which, it alleged, is the existing regulatory utility rate setting process. That process, in the SELC's judgment, makes efficiency improvements less profitable than building power plants. SELC appeared to want the Commission to set required levels of investment in conservation and load management programs for each utility. It asserted that general statements of support for cost effective DSM, in the absence of firm requirements, accomplishes little. SELC alleged that this Commission had not yet set a specific goal for utilities to pursue efficiency improvements in Virginia that cost less than new power plants. SELC, however, acknowledged that it is appropriate to proceed cautiously in this area.

NOW THE COMMISSION, upon consideration of the Staff Report, the written and oral comments of the participants, and the applicable law, is of the opinion and finds that a multi-perspective approach to evaluating proposed DSM programs is in the public interest. We agree with our Staff and numerous participants that each of the accepted tests identified by the Staff in its report offers valuable information about a proposed program. Analysis of a program using a multi-perspective approach provides the applicant, all stakeholders, and the Commission with information about the projected impact of a program.

The Participant's Test is a good indicator of the attractiveness of a program to a customer and thus provides information useful in estimating likely participation rates. The Utility Cost Test measures the change in a utility's revenue requirement resulting from a program. The Utility Cost Test thus is a good measure of the change in total utility bills due to the program. It also provides a direct comparison to supply-side options since supply-side tests typically measure the change in a utility's cost flowing from a supply-side resource. The RIM Test measures the difference between the change in total revenue paid to a utility and the change in total costs to a utility resulting from the program. The RIM Test offers a measure of the impact of a DSM program on customers who do not participate in the program. The non-participant perspective is important because all ratepayers may be affected by the actions that some take. The TRC Test measures the net costs of a DSM program as a resource option based on the total cost of the program, including the participant's and the utility's cost. It is essentially a measure of the change in the average cost of energy services across all customers.

Each test, however, also has its weaknesses. Program applicants thus should conduct cost/benefit analyses using the Participants Test, the Utility Cost Test, the RIM Test, and the TRC Test. As previously noted, although the Societal Test can also provide valuable information, it need not be conducted at this time.

Although the Commission is sympathetic to the request for us to choose a threshold test, we are concerned that use of a threshold test would prematurely eliminate programs that may ultimately prove to be in the public interest. We concur with the criticism of some commenters that the RIM Test, as a threshold measure, would inappropriately screen out conservation programs. The TRC Test as a threshold measure, on the other hand, would screen out strategic load building programs which, when viewed in relation to a utility's total resource plan and load shape, may prove to be beneficial. Thus, we are unable to establish a threshold test. The information provided by each individual analysis will serve to provide

more comprehensive information about the expected impact, costs, and benefits of a particular program. We agree that a multi-perspective approach strikes the proper balance for all parties affected by a proposed program.

We also agree with our Staff that the usefulness of the analysis is dependent on the quality of the assumptions and input data. Accordingly, we will adopt the minimum guidelines recommended by our Staff.

Utility applicants are certainly free to file packages of programs. A utility, in fact, should assure itself that programs collectively benefit the utility's resource plan. However, it is also critical that a cost/benefit analysis of each individual program be available, even if an application is for approval of a package of programs.

We also agree with Staff's recommendation that certain limited pilot or experimental programs may be conducted without prior Commission approval. Rate experiments require Commission approval pursuant to statute, and programs involving promotional allowances require closer scrutiny, and accordingly, should continue to be approved under our Rules Governing Promotional Allowances. Our utilities must, however, file reports with our Staff that are available to the public that identify all experimental programs at least 30 days prior to implementation and periodic updates on the results of the experiments. Comprehensive reports on the status of all experimental or pilot programs should be filed at least semi-annually with the Commission's Division of Economics and Finance.

It is clear that some DSM programs will have a significant impact on a customer's choice of fuels. Determination of the impact of a proposed DSM program on alternative energy suppliers was one of the more controversial issues in this proceeding. Clearly the Commission, in its assessment of any DSM program that affects alternative fuel suppliers, should consider such effects in making its decision of whether a proposed program is in the public interest.

In the case of DSM programs involving promotional allowances, the Commission requires the utility applicant to consider the effect of the proposed program on alternative energy suppliers, and, if such effects are significant, to demonstrate that the program serves the overall public interest. Such a requirement is appropriate for actively intervening in energy markets through promotional allowance programs. We will not, however, require a utility proposing a DSM program that does not involve promotional allowances to carry the burden of determining the impact of its proposed program on alternative fuel suppliers.

The development of reliable DSM cost and benefit projections for a utility's customers and its own system is a difficult enough task. The complexities involved in conducting such an analysis were well-documented in the Staff's report and the comments of a number of parties to this proceeding. To extend this analytical challenge to require a consideration of the impact of programs on the customers and systems of alternative fuel suppliers in all cases is unnecessary and unduly burdensome.

The Commission, however, must be provided a complete record when assessing DSM programs. We encourage alternative energy suppliers to participate in proceedings that affect their interests. The alternative fuel supplier has access to the information necessary to attempt to quantify the impact of a proposed DSM program on its sales. It therefore should be incumbent upon alternative energy suppliers to present their own estimates of the impact of utility DSM programs on their organizations. We believe this presentation of alternative views will result in a record that will allow us best to determine which programs are in the public interest. To facilitate this participation we will require a program applicant to provide notice to known regulated alternative fuel suppliers in its service territory.

We also agree with the Staff that verification of DSM program savings and load impacts is critical. Utilities will be required to measure on a short-term and long-term basis the effects of DSM programs.

Finally, we want to reiterate our support for the development of cost effective DSM programs in Virginia. Despite the SELC's criticism, it is our intent to establish clear direction to encourage such development and move utilities to cost effective integrated resource plans which include DSM as a resource option. It is not prudent, in our judgment, to establish fixed requirements which our utilities must meet at any cost.

ACCORDINGLY, IT IS ORDERED:

(1) That rules on the proper cost/benefit tests to be conducted on proposed DSM programs as set forth in Attachment A shall be, and are, implemented; and

(2) That there being nothing further to be done in this docket, this case shall be closed and the papers placed in the file for ended causes.

Commissioner Moore took no part in the decision in this case.

NOTE: A copy of the Regulation entitled "Rules Governing Cost/Benefit Measures Required for DSM Programs" 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. PUE910028
JANUARY 12, 1993

APPLICATION OF
VIRGINIA-AMERICAN WATER COMPANY

For an expedited increase in rates

ORDER GRANTING ADDITIONAL TIME TO COMPLETE REFUNDS AND FILE REPORT

On January 6, 1993, Virginia-American Water Company ("Virginia-American" or "Company"), by counsel, filed a motion requesting additional time to complete the refunds required by the Commission's Order on Reconsideration issued on October 19, 1992, as modified in the Commission's Order Granting an Extension of Time to Complete Refunds and File Report dated October 30, 1992. In its October 30, 1992 Order, the Commission directed Virginia-American to complete its customer refunds, on or before April 15, 1993, and directed Company to file a report detailing the accomplishment of those refunds on or before May 1, 1993. In its January 6, 1993 motion, Company specifically requested that it be allowed until April 30, 1993, to complete those refunds and be allowed until May 14, 1993, to file the report verifying that the refunds have been made.

In support of its motion, Company stated that it would not be able to complete the refunds by the April 15, 1993 deadline as Company needed additional time to retrieve the billing records for customers in its Alexandria District. In further support of its motion, Company stated that its customers would not be prejudiced by this delay since the revenues subject to refund would continue to accrue interest until the time customer refunds have been accomplished.

NOW THE COMMISSION, having considered our Order for Reconsideration, our Order Granting an Extension of Time to Complete Refunds and Company's motion, is of the opinion and finds that Company's request is reasonable and should be granted. Accordingly,

IT IS ORDERED:

(1) That Company shall be granted additional time to complete the refunds and to submit the report directed by this Commission in ordering paragraphs (2) and (6) of our October 19, 1992 Order on Reconsideration and ordering paragraphs (2) and (3) of our Order Granting an Extension of Time to Complete Refunds and File Report;

(2) That Company shall complete the refunds directed in paragraph (2) of the Order on Reconsideration on or before April 30, 1993;

(3) That, on or before May 14, 1993, Company shall submit to the Commission Staff a report detailing the accomplishment of the refunds so directed; and

(4) That there being nothing further to be done, this matter is hereby dismissed from the Commission's docket of active cases.

CASE NO. PUE910034
FEBRUARY 11, 1993

APPLICATION OF
THE CITY OF VIRGINIA BEACH

For permission to condemn property

DISMISSAL ORDER

On February 8, 1993, Senior Hearing Examiner Russell W. Cunningham filed his report with the Commission recommending dismissal of this application. Senior Examiner Cunningham made this recommendation after the City of Virginia Beach moved to dismiss its application on February 5, 1993. The Commission adopts Senior Hearing Examiner Cunningham's recommendation. Accordingly,

IT IS ORDERED that this application for permission to condemn property is dismissed from the Commission's docket of active proceedings and the papers herein be transferred to the files for ended cases.

Commissioner Moore had no participation in this case.

CASE NO. PUE910038
OCTOBER 19, 1993

APPLICATION OF
NORTHERN VIRGINIA ELECTRIC COOPERATIVE

For permanent approval of its load management program incentives

FINAL ORDER

On April 2, 1993, Northern Virginia Electric Cooperative ("NOVEC" or "the Cooperative") filed a revised Petition ("Petition") requesting permanent approval of the load management incentives approved on an interim basis in Case No. PUE900007. In that proceeding, by order dated May 1, 1990, the Commission authorized the Cooperative to provide its customers with certain water heater maintenance services and free energy efficient shower heads on an interim basis to encourage their participation in the Cooperative's load management program. As part of its water heater maintenance program, NOVEC proposed to engage an independent contractor to perform certain repairs to water heaters owned by members of the Cooperative. The contractor would replace, at the Cooperative's expense, fuses, reset buttons, thermostats and the elements in the participants' water heaters.

In that order, the Commission also directed NOVEC to gather, for a period of 12 months, certain data previously identified by Staff in an April 18, 1990 report. The Commission further directed the Cooperative to file a petition, together with applicable data, if NOVEC decided to make its incentive permanent.

On June 25, 1991 NOVEC filed that petition and on July 3, 1991, the Commission issued an order docketing the matter as Case No. PUE910038. In that order, the Commission authorized the Cooperative to continue offering its incentive programs on an experimental basis and directed NOVEC to continue to collect the appropriate data required by the Commission in Case No. PUE900007. The Commission also continued the matter noting that the Commission's final determination in Case No. PUE900070 might affect the Commission's consideration of NOVEC's load management programs. See 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, (Final Order, March 27, 1992).

The Cooperative subsequently filed a Supplement to Revised Petition ("Supplement") on May 6, 1993. In its Supplement, NOVEC proposed to amend its load management program to add another incentive. The Cooperative proposed to waive its $20 service connect fee for those new members or consumers who agreed to install a load management switch when electric service was initiated. This load management switch may be installed on electric water heaters, air conditioners or on both items.

On May 27, 1993, the Commission issued its Order Inviting Written Comment and Request for Hearing. In this order, the Commission directed NOVEC to give public notice of its application and invited any interested person to file written comment or request for hearing on or before August 16, 1993. The Commission also directed Staff to file a report analyzing the Cooperative's application and presenting its recommendations. No comments or requests for hearing were filed.

On September 1, 1993, Staff filed its report. In its report, Staff detailed the results of a benefit/cost analysis performed by Staff on the Cooperative's water heater maintenance and shower head incentive programs. In its analysis, Staff used data provided and collected by the Cooperative during a thirty-two months' interim period. Staff stated that, pursuant to its analysis, it appeared that the incentive program associated with installation and retention of load control switches was effective and cost beneficial. In addition, Staff noted that, based on the assumptions and estimates provided by NOVEC, it also appeared that the fee waiver incentive program was cost beneficial.

Moreover, Staff stated that Company's tariff should be modified to describe more accurately the eligibility requirements of the Cooperative's incentives. Staff specifically recommended that the Cooperative include, in a revised tariff, a new paragraph describing the $20 fee waiver incentive. Staff also recommended that the Cooperative include, in that tariff, certain specific language that would accurately describe the eligibility requirements for all of the above-referenced incentives.

On October 7, 1993, the Cooperative filed its proof of notice and of service.

NOW THE COMMISSION, upon consideration of the application and the record before it, is of the opinion and finds that NOVEC should be permitted to implement the above-referenced load management program incentives on a permanent basis. The Commission is of the further opinion that NOVEC should revise the language in its tariff consistent with the recommendations of Staff. Accordingly,

IT IS ORDERED:

(1) That NOVEC is hereby authorized to place the above-referenced incentive programs in effect on a permanent basis;

(2) That the Cooperative shall forthwith file revised tariffs relative to its load management incentive programs consistent with the recommendations of Staff as stated in its September 1, 1993 Report; and

(3) That there being nothing further to be done, 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. PUE910046
JULY 16, 1993

APPLICATION OF
BOTETOURT FOREST WATER CORPORATION

For a certificate of public convenience and necessity

DISMISSAL ORDER

On March 23, 1993, the Commission issued an order granting Botetourt Forest Water Corporation ("Botetourt Forest" or "Company") a certificate of public convenience and necessity to provide water service to certain customers located in Botetourt County, Virginia. In that order, the Commission directed Company to maintain its books in accordance with the Uniform System of Accounts ("USOA") and to provide the Commission with certification to that effect on or before April 1, 1993. The Commission also directed its Staff to audit Company's books and records and to file a report analyzing normal revenues and expenses relating to Company's operation on or before June 30, 1993.

Pursuant to that order, Company's accountant filed a letter on March 9, 1993, certifying that Botetourt Forest was maintaining its records and accounts in accordance with the USOA for Class C Water Utilities. Staff also filed its report.

In a report filed on June 21, 1993, Staff stated that it conducted an audit of Company's books and records analyzing normal revenues and expenses for the calendar year ending December 31, 1992. Staff concluded that, based on its analysis, Company's rates appeared to be reasonable at this time. Staff also confirmed that the Company's books were set up in accordance with the USOA.

Staff, however, made certain recommendations relative to booking accounting adjustments relative to contributions in aid of construction ("CIAC") and depreciation on non-contributed plant. Specifically, Staff recommended that Company book CIAC consistent with Staff's methodology and book depreciation on non-contributed plant at the 3% level consistent with the Commission's Final Order in Case No. PUE870037.

NOW THE COMMISSION, having considered the matter, is of the opinion that this matter should be dismissed and that Company should book certain accounting adjustments consistent with the recommendations of Staff. Accordingly,

IT IS ORDERED:

(1) That Company shall book CIAC and depreciation on non-contributed plant consistent with Staff's recommendations referenced in its June 21, 1993 report; and

(2) That there being nothing further to be done, this matter 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. PUE910068
FEBRUARY 2, 1993

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
WASHINGTON GAS LIGHT COMPANY,
Defendant

FINAL ORDER

By Order of Settlement dated January 22, 1992, Washington Gas Light Company ("WGL"), the Defendant, agreed, among other things, to tender to the Commission a letter certifying the completion of specific remedial measures.

IT APPEARING to the Commission that the Defendant has timely filed a letter certifying that the specified remedial work has been completed, it is, therefore,

ORDERED that all issues raised in this matter concerning the Defendant's alleged violations of the Gas Pipeline Safety Standards of Virginia (49 C.F.R. §§ 191, 192, 193, and 199, adopted by the Commission in Ex Parte, In the matter of adopting gas pipeline safety standards, etc., 1989 S.C.C. Ann. Rept. 312 (PUE890052, July 6, 1989 Final Order)) be, and they hereby are, settled; that all sanctions, conditions and undertakings of a continuing nature set forth in the prior order shall remain in effect in accordance with their terms; and that this matter be, and its hereby is, removed from the docket, and the papers filed herein placed in the file for ended causes.

CASE NO. PUE910074
AUGUST 9, 1993

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
ENGLISH'S, INC.

DISMISSAL ORDER

On November 22, 1991, the Board of Supervisors for the County of Campbell, Virginia ("County"), by its counsel, filed a petition with the State Corporation Commission. In that petition, the County Administrator requested:

1. that the case be docketed and set for hearing;

2. that a temporary and permanent injunction be issued against English's, Inc. ("Company") prohibiting Company from abandoning the water system serving Castle Craig Heights subdivision;

3. that the Commission make a determination as to whether the Company's water system should be certificated; and

4. that the Commission order Company to make appropriate and reasonable improvements to the water system.

On December 9, 1991, Staff informed Company, pursuant to § 56-265.1(b)(1) of the Virginia Code, that it was prohibited from abandoning the water system until it received Commission approval or until all of the customers agreed to assume ownership of the water system. After investigation of the matter, Staff learned that Company was not required to have a certificate of public convenience and necessity as it did not fall within the statutory definition of public utility pursuant to § 56-265.1(b)(1). Section 56-265.1(b)(1) defines a public utility as an entity that provides water service to at least fifty (50) customers. In addition, since the Company was not a public utility, the Commission did not have the authority to order Company to make improvements.

By letter dated January 14, 1992, the Company informed Staff that it did not intend to abandon service to the Castle Craig subdivision. Subsequently, Staff contacted the County in April of 1993. Staff was advised by the County that the Company was continuing to operate the water system and that there was no indication that Company intended to abandon the system.

On May 12, 1993, Staff filed a report detailing its findings and recommendations in the above-referenced matter. Pursuant to that report, Staff recommended that the Commission dismiss the matter from its docket.

On July 23, 1993, the Commission issued an order directing the County to file a response, if any, detailing any objection it might have to Staff's recommendation that this matter be dismissed. Such response was due to be filed on or before July 30, 1993. On August 2, 1993, the County, by counsel, filed a response to the order directing response. In that response, the County stated that it had no objection to the dismissal of the matter without prejudice.

NOW THE COMMISSION, having considered the record, Staff's recommendation and the lack of response thereto, is of the opinion that this proceeding should be dismissed from the Commission's docket of active cases. Accordingly,

IT IS ORDERED that this case be, and hereby is, removed from the Commission's docket of active cases and the papers placed in the file for ended causes.

CASE NO. PUE910079
JULY 19, 1993

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For approval of revisions to Schedule 27 and other changes associated with outdoor lighting facilities

FINAL ORDER

Historically, Virginia Electric and Power Company ("Virginia Power" or the "Company") offered outdoor lighting service to residential, commercial, and industrial customers pursuant to tariff. However, on March 27, 1978, the Commission issued an order directing Virginia Power to eliminate the ratemaking treatment afforded outdoor lighting service. N.E.C.A. v. Vepco, 1978 S.C.C. Ann. Rept. 74; aff'd, Vepco v. Corp. Comm., 219 Va. 894, 252 S.E.2d 333 (1979). The Company was authorized to continue to provide service to facilities installed prior to March 1978. In compliance with this ruling, Virginia Power withdrew Schedule 26 and filed Schedule 28 under which the Company continues to provide service to facilities installed prior to March 1978.

In March 1988, the General Assembly of Virginia passed House Joint Resolution No. 129, by which the Commission was requested to study the desirability of authorizing Virginia Power to provide outdoor lighting facilities for safety and security to residential customers pursuant to

a regulated tariff. On November 23, 1988, pursuant to that resolution, the Commission in Case No. PUE880049 authorized Virginia Power to implement Schedule 27-Outdoor Lighting Service for one year on an interim basis to facilitate the collection of data. The Commission found that service availability during the study period should be strictly limited to outdoor lighting for safety and security purposes for single-family detached dwellings.

By order dated October 10, 1990, the Commission found that the data compiled during the study period supported a need for tariffed outdoor lighting service for single-family detached residential dwellings for safety and security purposes. In that order, the Commission further noted that Virginia Power was free to petition the Commission at a later date for the expansion of tariffed outdoor lighting service and at that time should offer evidence that the demand could not be served adequately by the competitive marketplace. Commonwealth of Virginia, ex rel. State Corporation Commission, In re: Virginia Electric and Power Company, Residential Outdoor Lighting Facilities, 1990 S.C.C. Ann. Rep. 264.

On December 20, 1991, Virginia Power filed with the Commission an application, testimony, and supporting documents in support of its request to expand its Schedule 27-Outdoor Lighting Service, beyond single-family detached dwellings to include all jurisdictional groups. The application for revision of Schedule 27 was amended on March 13, 1992, to include a new offering, "Suburban Lighting Service," which would provide outdoor lighting to single-family detached dwellings served by underground facilities.

On June 16, 1992, the Commission entered an order directing Virginia Power to provide notice of its proposed expansion of tariffed outdoor lighting and providing an opportunity for comments and requests for hearing. Three requests for hearing and numerous comments were filed with the Commission. Accordingly, on October 9, 1992, the Commission issued an order establishing a hearing before a hearing examiner on January 26, 1993. The order further provided an opportunity for interested persons to participate in the proceeding as Protestants and directed Commission Staff to file a report on the reasonableness of Virginia Power's proposals.

The National Electrical Contractors Associations ("NECA") filed a protest and prefiled testimony on January 5, 1993, opposing the Company's application. NECA also filed two prehearing motions on November 3, 1992, and December 10, 1992, requesting that the Company's application be dismissed. Both motions were denied by rulings entered on November 13, 1992, and January 12, 1993.

An additional protest and prefiled testimony were filed on January 5, 1993, by Philip A. Ianna, the Associate Director of the Leander McCormick Observatory at the University of Virginia; however, Mr. Ianna did not appear at the hearing to sponsor his prefiled testimony and exhibits. Approximately eighty letters were also submitted by members of the public, the great majority of which supported the Company's application.

On January 14, 1993, Virginia Power and NECA filed a joint motion requesting an extension of the date for Virginia Power to file its rebuttal testimony to April 21, 1993 and a continuance of the hearing date to April 28, 1993. Both requests were granted by ruling dated January 15, 1993.

On January 15, 1993, the Commission Staff filed its report in this proceeding. In its report, the Staff recommended that the Suburban Lighting Service provision be approved, as it would make outdoor lighting more affordable to residential customers whose homes are served underground. Staff further recommended that outdoor lighting service under Schedule 27 be expanded to all residential customers including customer-owned condominiums and townhouses; however, Staff expressed some reservation over whether the Company had offered sufficient evidence that the demand for commercial and industrial outdoor lighting could not adequately be served by the competitive market.

On April 21, 1993, Virginia Power filed its rebuttal testimony. In its rebuttal testimony, Virginia Power narrowed its request for expansion of Schedule 27 beyond single-family detached homes to include only places of worship, civic organizations, and multi-family residential applications, such as condominiums, townhouses, apartments, homeowners' associations, residence associations, and other similar applications. For these customers, where new poles are required, lighting installations would be available after one year from the date that permanent and principal electric service is supplied to the premises. This would typically be determined by the date the meter is set. For all other residential applications, installations under this schedule would be available at any time. Finally, for all customers, service under Schedule 27 would be generally available at any time for the installation of lights on existing Company poles. In addition, the Company included a new term which obligates Virginia Power to include in its promotional materials for non-residential services reference to the availability of similar outdoor lighting service from private electrical contractors.

At the April 28, 1993, hearing both Commission Staff and NECA stated their support of the Company's application as amended. All the prefiled testimony and exhibits, with the exception of Company witness Hilton, Staff witness Hall, and NECA witness Moter, were marked and admitted into the record without the benefit of cross examination. Mr. Hilton was called to the witness stand to sponsor his testimony and explain the Company's proposed revisions to Schedule 27. Mr. Hall testified that the Staff had no objection to the Company's application as revised. Mr. Moter, the Executive Director of the Virginia Chapter of NECA, testified that NECA supported the adoption of Virginia Power's Schedule 27 as revised and filed with the rebuttal testimony of Mr. Paul Hilton.

Several other electrical contractors and suppliers appeared as interveners opposing Company's application. Their primary concern was the potential impact Schedule 27 would have on their business. They testified that outdoor lighting represents an important and significant portion of their business. They further stated their belief that any expansion of Schedule 27 would harm them economically. Several other public witnesses appeared and made statements supporting the application. They claimed outdoor lighting is necessary for safety and security purposes. They also described some of the difficulties they have experienced when attempting to obtain outdoor lighting.

On May 28, 1993, the Hearing Examiner issued his Report in this matter. The Hearing Examiner noted that in Case No. PUE880049 the Commission held that Virginia Power was free to petition the Commission to expand its outdoor lighting service beyond single-family detached residential dwellings if it offered "evidence that the demand [for outdoor lighting service] cannot adequately be served by the competitive marketplace." The Hearing Examiner found that in the current case, the Company's evidence coupled with the numerous and repeated requests for outdoor lighting service by the Company's customers, indicate that the current demand for affordable outdoor lighting service by residential, civic and religious customers is not being adequately served by the competitive market. The Hearing Examiner, therefore, found that the Company application should be granted.

Although the Hearing Examiner sympathized with the concerns expressed by electrical contractors and suppliers over a potential loss of revenue if Virginia Power's application is granted, he was not prepared to recommend that the Company's customers be deprived of this service. Noting his firm belief that outdoor lighting service contributes greatly to the safety and security of Virginia Power's customers by significantly reducing the potential for crimes against persons and property, he was unwilling to jeopardize the safety and security of Virginia Power's customers solely to promote the self-interest of private electrical contractors and suppliers.

Furthermore, the Hearing Examiner expressed his belief that the economic concerns of the electric contractors and suppliers were somewhat overstated in this case. Noting that the proposed revisions to Schedule 27 are structured to give private contractors and suppliers the first opportunity to provide outdoor lighting to new multi-family residential, civic and religious customers and that generally the customers who would avail themselves to this service are not currently served by the competitive marketplace, the Hearing Examiner found that any adverse economic impact on private business should be minimal.

Accordingly, the Hearing Examiner found that the Company's proposed Schedule 27, as revised in Company witness Hilton's rebuttal testimony, is just and reasonable. The Hearing Examiner further recommended that the Commission enter an order approving the schedule, dismissing this case from the Commission's docket of active proceedings, and passing the papers herein to the file for ended causes.

On June 11, 1993, Virginia Power filed its comments on the May 28, 1993, Hearing Examiner's Report. In its comments, the Company expressed agreement with the Hearing Examiner's recommendations and requested Commission acceptance of same at its earliest convenience. Comments were also filed by one public witness, the Secretary-Treasurer of College Plaza Corporation, who also urged Commission acceptance of the Hearing Examiner's recommendations as soon as possible.

The Commission upon consideration of this matter is of the opinion and finds that the findings and recommendations of the Hearing Examiner should be adopted. Virginia Power, as part of its public service obligation, shall offer outdoor lighting under the terms and conditions contained in its amended application as revised by Company's rebuttal testimony. Although Virginia Power in its application also requested the return to Virginia jurisdictional rate base of all outdoor lighting plant for Schedule 28 lighting as well as the return of revenues received for Schedule 28 services to Virginia jurisdictional revenues in its next filed rate case, the Company presented no evidence to support this request. Accordingly, there shall be no change in ratemaking treatment for Schedule 28 outdoor lighting plant and revenues at this time. Virginia Power, however, may petition for such change in its next filed rate case. Accordingly,

IT IS ORDERED:

(1) That Virginia Power's application to revise Schedule 27, as amended on March 13, 1992, and modified by Company's rebuttal testimony of April 21, 1993, be, and it hereby is, approved effective forthwith upon filing with the Commission's Division of Energy Regulation; and

(2) That this matter be dismissed from the Commission's docket and the papers be placed in the file for ended causes.

CASE NO. PUE920003
JANUARY 6, 1993

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION

Ex Parte, In re: Consideration of a rule governing Accounting for Postretirement Benefits other than Pensions

NUNC PRO TUNC ORDER

On December 30, 1992 the Commission issued its Final Order establishing rules governing the ratemaking treatment of employee postretirement benefits other than pensions. That order was erroneously dated December 30, 1993 rather than December 30, 1992. Accordingly,

IT IS ORDERED that the Final Order in Case No. PUE920003 shall, and hereby is, corrected to reflect the date of issuance as December 30, 1992.

Commissioner Moore took no part in the decision in this case.

CASE NO. PUE920003
JANUARY 21, 1993

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION

Ex Parte, In re: Consideration of a rule governing Accounting for Postretirement Benefits other than Pensions

ORDER DENYING PETITION FOR RECONSIDERATION

On December 30, 1993, the Commission issued its Final Order adopting Rules Governing Ratemaking Treatment of Employee Post Retirement Benefits other than Pensions. On January 19, 1993, Washington Gas Light Company, Virginia Division, and Shenandoah Gas Company ("Petitioners") filed a Petition for Reconsideration of that Final Order. Therein, the Petitioners expressed concern with the Commission's adoption of a 40-year amortization period for the transition obligation and deferred OPEB costs applicable to the period between the implementation of SFAS 106 and the time rates are adjusted to reflect OPEB costs on an accrual basis. In support of such reconsideration, the Petitioners stated that the Emerging Issues Task Force of the Financial Accounting Standards Board is currently considering issues related to the implementation of SFAS 106 by companies in the public utility industry.

The Petitioners also requested clarification of certain portions of the Final Order. Specifically, the request clarification of what "limited adjustments" will be permitted or required in applying the earnings test. The Petitioners also state that it is not clear whether deferred OPEB costs must be funded commencing with the date of implementation of SFAS 106 or with the date of approval of the deferral for ratemaking purposes. Finally, Petitioners request clarification of the requirement in the rule that "unfunded OPEB liability shall be deducted from rate base unless deferred for regulatory purposes."

The Commission, upon consideration of the Petition for Reconsideration, is of the opinion that it should be denied. The Commission recognized that the Emerging Issues Task Force of the Financial Accounting Standards Board was considering issues relating to the implementation of FASB 106 for financial reporting purposes. However, the Commission was and continues to be of the opinion that a 40-year amortization period for the transition obligation and any deferred OPEB costs more fairly serves to mitigate the impact of this change on ratepayers. The Commission is of the further opinion that the Final Order issued herein needs no further clarification. Accordingly,

IT IS ORDERED that the Petition for Reconsideration filed by Washington Gas Light Company, Virginia Division and Shenandoah Gas Company is denied.

Commissioner Moore took no part in this case.

CASE NO. PUE920015
MARCH 29, 1993

COMMONWEALTH OF VIRGINIA, ex rel.
BRUCE M. BERRY, et al.
v.
VIRGINIA SUBURBAN WATER COMPANY

FINAL ORDER

On January 23, 1992, Virginia Suburban Water Company ("Virginia Suburban" or "Company") notified the State Corporation Commission of its intent to increase its rates pursuant to the Small Water or Sewer Public Utility Act ("SWSA"). In its application, Company proposed additional gross annual operating revenues of $208,494, an increase of approximately 35.5% over previous rates. The application was supported with operating data for the test period ending September 30, 1991.

Pursuant to Virginia Code §§ 56-265.13.1 et seq., Company placed its proposed rates into effect, subject to refund, on March 9, 1992. On March 26, 1992, the Office of Attorney General, Division of Consumer Counsel, notified the Commission that it would participate in the proceeding.

The matter came to be heard before Hearing Examiner Howard P. Anderson, Jr., on June 10, 1992. Counsel appearing at the hearing were: Walton F. Hill, Esquire, for the Company; William H. Chambliss, Esquire, for the Division of Consumer Counsel; and Marta B. Curtis, Esquire and Robert M. Gillespie, Esquire, for the Commission's Staff. Post hearing briefs were filed by counsel on July 24, 1992.

On August 3, 1992, Company's counsel filed a motion to strike portions of the brief of Consumer Counsel which suggested that Company's rate case expense was excessive. On August 11, 1992, Consumer Counsel filed a response to Company's motion. In its response, Consumer Counsel requested that Company's motion be denied stating that Consumer Counsel's characterization of this expense was based on the record and on sound reasoning.

A number of persons appeared at the June 10, 1992 hearing and made statements opposing Company's proposed rate increase. By May of 1992, the Commission's Staff had received in excess of 800 letters and petitions opposing the increase. The ratepayers viewed this increase as exorbitant and unjustified and expressed anger regarding recent increases granted by the Commission. Customers noted that Company had no competition and that customers had no other alternative.

Eston Burge, County Administrator representing the Westmoreland County Board of Supervisors, requested that the Commission deny Company's rate increase. Mr. Burge noted that the increase was unrealistic in current economic times and that, if approved, the present increase would constitute more than a 100% increase in Company's rates during the past five years. One customer spoke of Company's poor service, the purchase of new trucks at the expense of needed improvements and Company's inability to control its costs. Other customers noted that Company's tariff did not provide for the installation of fire hydrants or for the provision of sewer service. Customers also complained about the financial impact of the rate increases on retirees and on part-time residents.

At issue in this proceeding were certain accounting and rate base adjustments, the appropriate return on equity and the acquisition adjustment litigated in Company's last rate case, Case No. PUE890082. Company took issue with Staff's accounting and rate base adjustments as well as Staff's recommendation that Company receive only $154,829 in additional revenues based on an 11.25% return on equity. Company also took issue with Consumer Counsel's position that Company's rate case and management expenses were excessive, that deferred charges and post test year plant additions should not be included in rate base and that the Commission should reconsider the stock price acquisition adjustment awarded in Case No. PUE890082.

On October 19, 1992, the Examiner filed his Report. In his report, the Examiner found that:

(1) The use of a test year ending September 30, 1991, is proper in this proceeding;

(2) The Staff's accounting adjustments, as modified herein, are just and reasonable and should be accepted;

(3) The Company's test year operating revenues after all adjustments, were $589,976;

(4) The Company's test year operating revenue deductions, after all adjustments, were $529,067;

(5) The Company's test year net operating income, after all adjustments, was $60,909;

(6) The Company's current rates produced a return on adjusted end of test period rate base of 3.81%, and a return on equity of (3.04%) during the test year;

(7) The Company's current cost of equity is 10.75% to 11.75%, and the midpoint of the range, 11.25%, should be used to calculate the Company's overall cost of capital and revenue deficiency;

(8) The Company's overall cost of capital, based on the capital structure of the parent, General Waterworks Company, as of September 30, 1991, and an 11.25% cost of equity, is within the range of 10.293% to 10.777% with a midpoint of 10.535%;

(9) The Company's adjusted end of test period rate base is $1,600,433;

(10) The Company requires additional gross annual revenues of $150,866 to earn a reasonable rate of return on rate base;

(11) The Company should be required to promptly refund, with interest, all revenues collected under its interim rates in excess of the amount found just and reasonable herein;

(12) Any reduction approved by the Commission in the current rates should be applied to the minimum charge;

(13) The Company should revise its tariff to incorporate the cost-based service connection fee, including federal income tax, of $610; and

(14) The Company should be required to make appropriate refunds, with interest, to any customers who paid a $10 bad check fee.

In his Report, the Examiner discussed the basis for his conclusions relative to Company's revenue requirement, the appropriate rate base and the cost of capital. The Examiner also discussed certain aspects of Company's rate design. The Examiner noted that Consumer Counsel urged reconsideration of the acquisition adjustment approved in Virginia Suburban's previous case, Case No. PUE890082. The Examiner, however, found that the issue had been fully litigated and approved by the Commission in Company's last rate case and need not be relitigated in the current proceeding.

The Examiner recommended that the Commission enter an order that adopts the findings in his Report, grants Company an increase in gross annual revenues of $150,866 and directs a prompt refund of the amount collected under interim rates in excess of the rate increase found reasonable. The Examiner also recommended that the Commission dismiss this case from the Commission's docket of active cases.

On November 3, 1992, both Virginia Suburban and Consumer Counsel filed comments to the Report. Eston E. Burge and Jim Fearson, interveners at the hearing, also filed comments. Additionally, the Council of Northern Neck Property Owners Associations filed comments.

In its comments, Company took exception with the Examiner on the following issues: pension expense, tax treatment of CIAC, rate case expense, unamortized deferred charges in rate base, gain on the sale of property and return on equity. Consumer Counsel took issue with the Examiner in regard to management and service fees, rate case expense, the acquisition adjustment approved in Company's last rate case and post-test year additions to rate base.

On November 4, 1992, Virginia Suburban filed a Motion to Strike the comments of the Council of Northern Neck Property Owners Associations ("the Council"). In support of its Motion, Company stated that, pursuant to Rule 5:16(e) of the Commission's Rules of Practice and Procedure, comments may only be filed by parties to the proceeding. Company noted that the Council was not such a party.

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 are reasonable and should be accepted. The Commission is also of the opinion, pursuant

to Rule 5:16(e), that Virginia Suburban's Motion to Strike should be granted. The record reflects that the Council is not a "party" to the proceeding.

The Commission agrees with the Examiner's analysis of issues relevant to pension expense, tax treatment for CIAC, post-test year additions to plant, unamortized deferred charges and the gain on the sale of land. We also agree with the Examiner's analysis relative to return on equity. We therefore will not discuss those issues further. We believe however that further discussion of Company's management and service fees and rate case expense is appropriate. Moreover, additional discussion of the previously approved acquisition adjustment raised by Consumer Counsel is warranted.

We agree with the Examiner that Virginia Suburban has met its burden of proof as to the reasonableness of expenses associated with the management and service fees provided by Virginia Suburban's parent, General Waterworks Management and Service Company ("GWM&S"). We specifically note the study conducted by Patrick L. Baryenbruch supports those affiliate payments consistent with §§ 56-78 and 79 of the Code of Virginia as articulated in Virginia case law. Although we recognize Virginia Suburban and GWM&S are exempt from the Affiliates Act (Va. Code§ 56-76 et seq.), they are clearly affiliated interests and therefore for ratemaking purposes, the standard articulated in the Code is appropriately applied in our review of those expenses. See Commonwealth Gas Services, Inc. v. Reynolds Metals Company, 236 Va. 362, 374 S.E.2d 35 (1988).

The Baryenbruch study compared the cost of services provided by GWM&S with those of outside providers and showed that these services would cost more from the outside vendors. We also note that the study showed that GWM&S could provide these services economically because it was familiar with Virginia Suburban's operation and economies of scale and did not extract a profit for these services.

We view rate case expense, like management and service fees, as an affiliate expense. Here this expense represents charges for legal and accounting services supplied to Virginia Suburban by its parent, GWM&S. However, unlike the management and service fees in this case, Company's rate case expense is not fully justified by the record before us.

As already noted, we acknowledge that affiliated transactions between the Company and its parent need not be approved under the Affiliates Act, however affiliated interests should nonetheless be carefully scrutinized. Virginia Code § 56-78 succinctly states the standard which must be met by utilities to recover affiliate expenses. Specifically, it provides in pertinent part:

> In any proceeding . . . involving the rates . . . of any public service company, the Commission may exclude in whole or in part from the accounts of such public service company any payment or compensation to an affiliated interest for any services rendered or property or service furnished . . . under existing contracts or arrangements with such affiliated interest, if it shall appear and be established upon investigation that such payment or compensation or such contract or arrangement is not consistent with the public interest. In such proceeding any payment or compensation may be disapproved or disallowed by the Commission, in whole or in part, unless satisfactory proof is submitted to the Commission of the cost to the affiliated interest rendering the service or furnishing the property or service . . ..

The Virginia Supreme Court has applied that standard even when certain affiliate arrangements are specifically excluded from the Affiliates Act. See Commonwealth Gas Services, Inc. v. Reynolds Metals Co., supra. (applying § 56-78 and -79 to Commonwealth Gas Pipeline Corporation ("Pipeline")).

In that same case, the Court clearly stated the reason a strict standard is applied to affiliate expenses:

> A fundamental public policy underlies the stringent standard of proof enunciated in these statutes. The legislation makes clear that the General Assembly expects the Commission to scrutinize transactions between a utility and one of its affiliates. Such scrutiny is mandated because the contracting parties have a unity of interests and do not deal at arm's length. Thus, there exists the opportunity for double profit at the ratepayers' expense - a situation that does not exist when the parties to a transaction are independent of each other.

Commonwealth Gas Services, Inc. v. Reynolds Metals Co., supra.

The Virginia Supreme Court has long recognized the need for close regulatory scrutiny of such charges. See Central Telephone Company of Virginia v. State Corporation Commission, 219 Va. 863, 252 S.E.2d 575 (1979); Norfolk v. Chesapeake and Potomac Telephone Company, 192 Va. 292, 64 S.E.2d 772 (1951).

Moreover, transactions which are not at arms' length provide no incentive to limit costs. There is, instead, a tremendous incentive to incur more costs. See Commonwealth Gas Services, supra. The incentive to incur more costs is especially true with regard to rate case expense. Additional time and resources spent for rate case preparation creates a situation where the affiliated company has no incentive to control its costs. The excessive time and resources spent in preparation of the case may benefit the affiliated company since it has an interest in the positive outcome of the proceeding. Yet, no additional expense is borne by the holding company in devoting the additional time and resources as would be the case if external unaffiliated attorneys, consultants and resources were used. Thus, the affiliated company is not limited by budgetary constraints by the client to control its costs or the competing interests of other clients.

Company is required to meet a stringent burden of proof to justify the reasonableness of its affiliate rate case expense. Company has requested $110,686.88 of rate case expense which includes the estimated cost to complete the case. See Exh. GMH-20. The rate case expense was broken down into $89,081 of actual cost incurred through May 1992; $10,170 of actual cost in June 1992; $3,500 estimated cost to complete the case and $7,935.88 for the Baryenbruch study. Tr. at 286-287. At least $86,389 of $89,081 total expense is affiliated expense.

Based on the record before us, Virginia Suburban has not met its burden to justify recovery of its full request. Indeed, Company's rate case expense appears to be excessive.

The facts in this proceeding are analogous to those in the Commonwealth Gas Services case where the Court held that Commonwealth Gas Services ("Services") had not met its burden of proof and disallowed expenses paid to its parent, the Columbia Gas System, Inc. ("Columbia") and to its sister subsidiary Pipeline. See Commonwealth Gas Services, supra. Here, as did Services, Company merely identified its charges and described how it paid its bills. See Exh. GMH-20. See also Tr. 183, 202. Although Services itemized its costs and showed how it paid its bills, the Court affirmed the Commission in disallowing expenses paid by Services to both its parent and to Pipeline.

In addition, the Baryenbruch study does not support the burden of proof for rate case expense. Although the Baryenbruch study compares the hourly cost of outside providers of legal and accounting services with GWM&S hourly costs, it does not quantify the benefit of having those services performed by GWM&S as it did for the management and service fees. See, Exh. PLB-2.

Further, there is evidence that the $110,686 of rate case expense could have been lower and the work could have been performed in less time. See Exh. GMH-20. See also Tr. at 312, 316, 329. Moreover, although GWM&S required an unaffiliated consultant, Mr. Baryenbruch, to cap the cost of preparing his study, no similar limitation was placed on the affiliated rate case expense. See Exh. GMH-20. See also Tr. at 153-154.

When the Commission determines that a company has not met its burden of proof as to the reasonableness of its affiliate costs, the Commission may disallow all or some portion of the cost. See Va. Code § 56-78; Commonwealth Gas Services, supra; Norfolk v. Chesapeake and Potomac Telephone Co. of Virginia, supra. The Virginia Supreme Court has previously recognized as proper, disallowance of actual incurred rate case expense. See Lake of the Woods Utility Company v. State Corporation Commission, 223 Va. 100, 286 S.E.2d 201 (1982) (citing Norfolk v. Chesapeake and Potomac Telephone Company, supra).

We agree with Examiner that a large portion of the rate case expense should be disallowed. Company claims rate case expense of $89,081 through May 1992 and total rate case expense of $110,686.88. Consumer Counsel claims that $30,000 of rate case expense is appropriate in this proceeding. In our judgment, we believe that $67,936 of rate case expense as suggested by the Examiner is within the range of reasonableness.

Accordingly, $60,000 of expense for this rate case plus $7,936 for the Baryenbruch study, for a total of $67,936, is a reasonable level of expense to include in rates. It is also reasonable to mitigate the affect of this rate increase by amortizing the rate case expense over three years as recommended by the Examiner.

Company, however, should be aware that, in future proceedings, if there is not more evidence to support the reasonableness of any similar affiliated rate case expense, the Commission may disallow this expense in its entirety.

In regard to the acquisition adjustment approved in Company's last rate case, we agree with the Examiner that the matter was fully litigated in Case No. PUE890082. Nonetheless, the Examiner allowed all of Consumer Counsel's witness Gomez's testimony into the record. Company cross-examined her on the acquisition adjustment. Consumer Counsel had re-direct examination on that issue and briefed the issue. In Case No. PUE890082, this matter was remanded to the Examiner for the specific purpose of taking further evidence on the issue of an acquisition adjustment. Consideration of that issue in the prior case was thorough. None of the evidence offered here persuades us to revisit our decision. Accordingly,

IT IS ORDERED:

(1) That, consistent with the findings referenced herein, Company shall be granted an increase in gross annual revenues of $150,866;

(2) That, on or before October 1, 1993, Virginia Suburban shall refund, with interest as directed below, all revenues collected from the application of the interim rates which were effective for service beginning March 9, 1992, to the extent that such revenues exceeded, on an annual basis, the revenues which would have been produced by the rates approved herein. The Company shall file with the Staff tariff sheets reflecting the reinstatement of its permanent rates;

(3) That 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;

(4) That the interest required to be paid shall be compounded quarterly;

(5) That the refunds ordered in Paragraph 6 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 Suburban 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. Company may retain refunds owed to former customers when such refund amount is less than $1; however, Virginia Suburban 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 Company and request refunds, such refunds shall be made promptly. All unclaimed refunds shall be handled in accordance with Virginia Code § 55-210.6:2;

(6) That on or before December 1, 1993, 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 cost for verifying and correcting the refund methodology and developing the computer program;

(7) That Virginia Suburban shall bear all costs of the refunding directed in this Order;

(8) That, consistent with the findings herein, Company shall make customer refunds, with interest as determine herein, on bad check fees collected in excess of the $6 authorized charge;

(9) That Company's permanent tariff, referenced in ordering paragraph (2), shall incorporate Staff's recommendations relative to the reduction in the minimum charge and cost-based service connection fees as reflected in the findings herein; and

(10) That there being nothing further to be done in this matter, this case shall be dismissed and the papers passed to the file for ended causes.

[1]Mr. Healy, who filed the Comments of the Council, testified at the hearing on his own behalf and on behalf of the Westmoreland Federation of Civic Associations. Although the Council is not a party and accordingly we are granting Company's motion to strike, we note that all issues raised by the Council were addressed by Mr. Healy in his testimony as an intervener in this case or his testimony in Case No. PUE890082. The Commission thus considered all matters addressed by Mr. Healy in this or the prior case.

CASE NO. PUE920015
APRIL 5, 1993

COMMONWEALTH OF VIRGINIA, ex rel.
BRUCE M. BERRY, et al.
v.
VIRGINIA SUBURBAN WATER COMPANY

AMENDING ORDER NUNC PRO TUNC

On March 29, 1993, the State Corporation Commission issued a Final Order in the above-referenced case. In that order, the Commission granted Virginia Suburban Water Company ("Company") an increase in gross annual revenues of $150,866. The Commission also directed Company to refund, with interest, all revenues collected in excess of authorized amounts, on an annual basis, effective for service beginning March 9, 1992. Paragraph (5) of that order erroneously referenced paragraph (6) as the paragraph directing such refunds. The correct reference should be ordering paragraph (3).

NOW THE COMMISSION, upon consideration of the matter, is of the opinion and finds that the March 29, 1993 Final Order should be amended nunc pro tunc to reflect the correct ordering paragraph referenced above. Accordingly,

IT IS ORDERED:

(1) That ordering paragraph (5) of the March 29, 1993 Final Order shall be amended nunc pro tunc to correct the reference to the ordering paragraph directing refunds and the amended reference shall be ordering paragraph (3); and

(2) That there being nothing further to be done in this matter, this case shall be dismissed from the Commission's docket of active cases.

CASE NO. PUE920031
JUNE 22, 1993

APPLICATION OF
VIRGINIA NATURAL GAS, INC.

For a general increase in rates

FINAL ORDER

On April 6, 1992, Virginia Natural Gas, Inc. ("VNG" or "the Company") filed an application for a general increase in rates that would produce additional gross annual operating revenues of $14,066,478, based upon a test year ending December 31, 1991. The application also proposed minor revisions to the Company's terms and conditions of service and sought authority to provide transportation service to VNG jurisdictional customers through the Company's 118 mile intrastate pipeline ("the Pipeline").

On April 27, 1992, the Commission entered an order suspending the Company's proposed tariffs through September 3, 1992. By order of May 15, 1992, the Commission appointed a Hearing Examiner to conduct further proceedings, set the matter for public hearing on September 21, 1992, and established a procedural schedule for filings by VNG, Protestants, Interveners and the Commission Staff.

By Hearing Examiner's ruling dated August 31, 1992, VNG's bond was accepted and its rates were permitted to take effect on an interim basis subject to refund for service rendered on and after September 4, 1992.

The public hearing commenced September 21 and concluded September 23, 1992. Counsel appearing were Guy T. Tripp, III, Esquire and James A. Schmidt, Esquire for VNG; Louis R. Monacell, Esquire and Steven L. Dalle Mura, Esquire for Anheuser-Busch, Inc., Ford Motor Company, Nabisco Brands, Inc., Owens-Brockway Glass Container, Inc., and U.S. Gypsum Company ("Industrial Protestants"); William S. Bilenky, Esquire for the Division of Consumer Counsel, Office of Attorney General ("Attorney General"); Pamela S. Johnson, Esquire for Virginia Electric

and Power Company ("Virginia Power"); David B. Kearney, Esquire for the City of Richmond; and Robert M. Gillespie, Esquire and Marta B. Curtis, Esquire for the Commission Staff.

Post-hearing briefs were filed by the parties and the Commission Staff on November 3, 1992. The Examiner issued his report on January 29, 1993 and the parties submitted comments and exceptions February 16, 1993.

Based upon the evidence received, the Examiner found:

(1) The use of a test year ending December 31, 1991, is proper in this proceeding;

(2) The Company's test year operating revenues, after all adjustments, were $119,191,807;

(3) The Company's test year operating revenue deductions, after all adjustments were $106,592,093;

(4) The Company's test year net operating income, after all adjustments, was $12,217,577;

(5) The Company's current rates produced a return on adjusted rate base of 6.96%, and a return on equity of 6.45%;

(6) The Company's current cost of equity is within a range of 11.0% - 12.0%, and rates should be established based on the 11.5% midpoint of the equity range;

(7) Based on the consolidated capital structure of the Consolidated Natural Gas Company as of March 31, 1992, the Company's overall cost of capital is 9.828%;

(8) The Company's adjusted test year rate base is $175,586,628;

(9) The Company's application requesting $14,066,478 in additional gross revenues is unjust and unreasonable because it will generate a return on rate base greater than 9.828%;

(10) The Company requires $7,854,412 in additional gross annual revenues to earn a 9.828% return on rate base;

(11) The Company should file permanent rates designed to produce the additional revenues found reasonable using the Examiner's recommended revenue allocation methodology;

(12) The Company should be required to promptly refund, with interest, all revenues collected under its interim rates in excess of the amount found just and reasonable;

(13) The Company's proposed residential customer charge is just and reasonable;

(14) A separate Tier D in Schedule 9 should not be created for the Yorktown Power Station;

(15) A flexible interruptible transportation schedule should not be approved until such time as the Company develops and proposes a specific rate schedule for flexible transportation service, a need is demonstrated for a flexible rate and the potential impact of the proposed schedule on VNG's other customers is examined and found to be in the public interest; and

(16) The Company should perform and file a cost of service study in its next rate case, whether expedited or general, which uses both the minimum system and zero-intercept methods to derive the customer and demand components of distribution mains.

The Examiner recommended that the Commission enter an order adopting the findings of his report, granting the Company an increase in gross annual revenues of $7,854,412, and directing the prompt refund of all amounts collected under the interim rates in excess of the rate increase found reasonable by the Examiner.

Having considered the record, the Examiner's report, and the comments thereon, the Commission is of the opinion and finds that the findings and recommendations of the Hearing Examiner, except as modified herein, should be adopted. We discuss below the areas where we have made findings different from the Hearing Examiner, as well as some of the issues on which we adopt the Examiner's findings but which warrant further comment.

A. Expense Adjustments

1. Demonstration, Selling and Advertising Expenses

In his Report, the Hearing Examiner recommended the elimination of $1.786 million in demonstration, selling and advertising expenses from the Company's cost of service. In doing so, he accepted the Attorney General's proposed adjustment based on the failure of the Company either to segregate those expenses related to permissible conservation and load management ("CLM") programs from those incurred primarily to increase load and market share or to provide sufficient evidence to show that all such expenses meet criteria established by the Commission and thus warrant inclusion in their entirety. See Commonwealth of Virginia, Ex Parte: In re: Investigation of conservation and load management, Case No. PUE900070, Final Order dated March 27, 1992 ("CLM Order").

There is a serious question as to whether the Company met the burden of proof set forth in the CLM Order which requires utilities to provide sufficient information either to segregate properly the recoverable portion of these expenses or to justify inclusion of the total amount in rates. The CLM Order, however, was issued on March 27, 1992, just prior to the filing of this rate request. The case here was, of course, prepared well before our decision in the CLM proceeding. We are not inclined to apply the CLM decision to data collected before the decision was rendered.

We will give the Company the benefit of the doubt here. In the future, we will expect stricter proof on these issues, and applicants should be guided by our CLM decision in preparing their rate case data.

The Commission is concerned additionally by the magnitude and recent percentage growth of VNG's demonstration, selling and advertising expenses. The $1.786 million represents almost 1.5% of the total revenues collected by the Company during the test year. In its Post-Hearing Brief the Company compared the programs represented by the $1.786 million figure with Virginia Power's programs which were included in its Rate Case No. PUE910047. The Commission notes that Virginia Power's expenses represented only .1% of Virginia Power's total revenues.

The record also indicates a marked increase in these expenditures from 1990 to 1991, with demonstrating and selling expenses increasing approximately 14% and advertising expenses increasing approximately 36%. The Commission believes that the magnitude of the Company's expenses and their recent percentage growth provide an additional reason for a more detailed justification by the Company.

Based on the evidence presented and considering when the CLM Order was issued, the Commission will not exclude these costs from the Company's cost of service here. The Company must be aware, however, that the evidence it presented in this case may not suffice in the future. Failure by the Company to provide more detailed evidence could require a future disallowance of all such expenses.

2. Employee Incentive Payments

We agree with the Examiner's recommendation that the Company's proposed allowance of $245,077 for its Management Incentive Plan ("MIP") and Success Sharing Program ("SSP") should be disallowed. The funding of these programs is uncertain. The last payment was made during the 1991 test year but no payments were made during the 1992 pro forma year and it was not known and certain that any payments would be made during the Company's rate year.

B. Rate Base Adjustments

1. Capitalization of Pipeline Legal Expenses

We believe that sufficient evidence was presented by the Company to show that these expenditures have been charged to the appropriate capital accounts. This assures the Commission that recovery of these expenses will be over the life of the Pipeline and not as an annual recurring expense. Outside legal expenses declined during the test year as would be expected with in-house legal counsel being employed in 1991. Outside legal expenses not related to the Pipeline are reflected in Account 923.1 and in-house legal expenses are included in Account 920 "Administrative and General Salaries." VNG is entitled to the going forward level of those two expense accounts and to the capitalization of its 1991 outside legal expenses of $466,104 related to the Pipeline.

2. Other Rate Base Items

We agree with the Examiner that all Contributions in Aid of Construction have been properly deleted from rate base and that the full costs of the Pipeline and related distribution facilities are "used and useful" and warrant rate base recovery.

C. Cost of Capital

We differ with the Hearing Examiner's recommendation on the cost of capital for VNG. Based on the evidence, we consider a range of 11.25% - 12.25% to be appropriate for VNG's cost of equity, with the revenue requirements and rates to be based on the mid-point, 11.75%. The overall cost of capital is 9.970% based upon the March 31, 1992 consolidated capital structure of the Consolidated Natural Gas Company ("CNG").

D. Revenue Requirement

Based on our resolution of the issues presented in this case, we find that the Company's additional revenue requirement is $10,429,742.

REVENUE REQUIREMENT

Adjusted Net Operating Income, Per Hearing Examiner	$12, 217,577
To allow promotional advertising expense	(1,786,000)
To allow pipeline legal costs	(312,000)
To reflect the tax effect of above adjustments	715,128
Adjusted Net Operating Income (ANOI)	$ 10,834,705
Rate Base Per Hearing Examiner	$175,586,627
To reflect the cash working capital effect of the above adjustments	$165,582
Rate Base	$175,752,209
Rate of Return @ 11.75% on Equity	0.09972
Required ANOI	$17,525.996
Less: Adjusted Net Operating Income above	10,834,705

Net Revenue Required	$6,691,291
Conversion Factor	0.64156
Gross Revenue Required	$10,429,742

E. Revenue Apportionment and Rate Design

1. Apportionment of Increase

The Company, Commission Staff, Attorney General and the Industrial Protestants presented cost of service studies which supported their respective allocation recommendations. Although there were certain differences, the allocation methods used by the Company, Staff and Industrial Protestants were similar and yielded similar results. The method and results of the Attorney General were significantly different from those proposed by the other parties.

The Hearing Examiner discussed the primary differences between the methods and the results of the Staff and Attorney General. The Examiner decided to rely primarily on the Staff cost of service study because the Staff method had been used in the last several VNG rate cases providing continuity and because the Examiner found that the Attorney General's Zero Intercept Method appeared to allocate excessive demand costs to interruptible customers.

Based on the record in this case, the Commission will also place primary reliance on the allocation method supported by the Staff, Company and Industrial Protestants to apportion the allowed increase. As noted below, however, we do not decide here that the Zero Intercept Method, or any other method, should be rejected for the future. The Staff Cost of Service Study, which was generally supported by all parties except the Attorney General, was based on the Company's original filing and did not reflect the revenue and expense adjustments proposed by the various parties or adopted in this Order. Because we recognized that, in this proceeding, the adjustments proposed by the Staff and adopted by us would impact significantly the cost of service study, we directed that a new cost of service study be prepared which utilized the Staff methodology after making the adjustments proposed by the Public Utility Accounting Division of the Staff. In addition, the Company revised its cost of service study to reflect the adjustments proposed by the Accounting Division. The parties have stipulated to this Company study and it is part of the record in this proceeding. Although the revised Staff and Company studies use similar allocation methods, the Company's revised study appears to reflect better the Staff revenue adjustments to Schedule 6.

In allocating the authorized increase, we reiterate that cost of service studies can be only guides to apportion rate increases. The class cost of service studies presented in this case do not determine the actual cost of serving any particular class of customers; they are only estimates. We have in this case sought generally to move towards parity relying primarily on the revised cost of service study prepared by the Company after incorporating the adjustments proposed by the Public Utility Accounting Division.

The authorized increase will be apportioned as follows:

SCH1	$ 7,999,047
SCH2	$ 2,250,000
SCH3	$ 1,020
SCH4	$ 1,222
SCH5	$ 2,120
SCH6	$ 75,000
SCH7	$ 86,757
SCH8	$ 0
SCH9A	$ 14,576
SCH9B	$ 0
SCH9C	$ 0
TOTAL	$10,429,742

A schedule showing the class increases, rates of return and indices is Appendix A to this Order.

Certain allocation and rate design issues require comment. First, the residential customer charge will be increased from $7 to $8 as recommended by the Hearing Examiner. The increase appears to be justified on a cost of service basis and is not so great as to cause rate shock for any class members.

Second, the Company's proposed change in the capping mechanism for the price of interruptible sales under Schedule 8 does not appear to be necessary based on the record. Further, the new mechanism could increase the volatility of the price of interruptible gas. Accordingly, the new capping mechanism will not be implemented at this time. If the Company or other parties believe the proposed change to be important they are encouraged to resubmit it in VNG's next case and present additional information and analysis for our consideration.

The current customer charge for Schedules 9B and 9C is $250 per month and the customer charge for Schedule 9A is $150 per month. The Company proposed increasing the customer charge to $300 for all three tiers. The Company and Industrial Protestants argued that the cost based customer charge would be in excess of $500. Doubling the customer charge for the small interruptible transportation customers (Schedule 9A) as proposed by the Company would represent too much of an increase for many of these smaller customers. The customer charge for all three tiers of Schedule 9 will be increased $50 per month resulting in a $200 customer charge for Schedule 9A and a $300 customer charge for Schedules 9B and 9C.

The Company proposed removing a $.01 per mcf delivery charge which has been applied to all Schedule 9 rates. This charge was originally added to compensate firm customers for the use of their upstream pipeline capacity. In the past, transportation customers had been able to obtain lower upstream delivery costs through the use of that upstream capacity and firm customers were reimbursed through a credit included in

the PGA. Transportation customers have not been able to utilize the upstream capacity to obtain lower delivery costs for several years as a result of upstream changes. The $.01 per mcf charge will be eliminated for Schedule 9, but the revenue requirement for the three tiers will not be reduced by the entire amount for all three tiers. Specifically, the charge will be eliminated in Schedule 9B and 9C to the extent necessary to offset the rate increase created by the $50 per month increase in the customer charge. With respect to Schedule 9A, the full $.01 per mcf charge will be eliminated resulting in a net increase of $14,576 for Schedule 9A because of the increase in the customer charge.

By providing no increase for Schedule 9C, after the impact of the rate increase on other classes, Schedule 9C's relative index decreases from 131 to approximately 81. We are concerned that the rate of return and thus the index appears to be extremely volatile for Schedule 9C. Although a small rate increase could be justified based on the cost of service study, we are leaving this Schedule unchanged in this case. As noted below, however, this Schedule needs further study and perhaps revision in VNG's next rate case.

2. Future Cost of Service Studies

As explained above, in relying primarily on the Company and Staff cost of service studies presented in this proceeding, the Commission does not reject any particular allocation methodology. Further, the Commission is of the opinion that there may be several cost of service allocation methods which should be examined in apportioning any rate increase. While we do not envision rearguing and reconsidering new allocation methodologies in every rate case, we believe it is appropriate for us to examine alternative allocation methods in VNG's next rate case. In VNG's next rate case, VNG and the Staff of the Commission will be required to submit the cost of service study or studies on which they believe we should rely in apportioning any increase or adjusting rates. Other parties are, of course, invited to submit their studies and ideas as well. The methods and studies must be presented so that the Commission is able to understand the theories and find a firm factual basis for the calculations.

3. Schedule 9C

As noted above, we have allowed no increase in Schedule 9C, although if we had relied strictly on a cost of service study, an increase could have been justified. Also, the rates of return for Schedule 9C appear to be extremely volatile and this may be due, at least in part, to the Yorktown Pipeline which is used to serve Virginia Power. Although Virginia Power did not oppose the creation of the separate subclass as proposed by Industrial Protestants, it argued that its minimum bill protects VNG.

Based on the record, it appears that the minimum bill for Virginia Power is equal to the cost associated with the dedicated line to the Yorktown Power Station. If Virginia Power uses no gas (and thus is allocated no common cost) and pays the minimum bill, it appears VNG may be protected from a theoretical cost allocation perspective. When, however, Virginia Power uses a small amount of gas, perhaps just enough to cover the minimum, the revenues may be said to cover the cost of the line to the power station, or certain other cost, but not both. It, therefore, appears that the minimum bill does not protect the Company when Virginia Power uses a small amount of gas.

Schedule 9C needs to be reexamined in VNG's next rate case. We must understand whether, and to what extent, the minimum bill does protect VNG and whether other alternatives should be considered to protect VNG or to make the return for this schedule less volatile.

E. Jurisdictional Studies

In this case significant confusion resulted from Company's treatment of the jurisdictional revenues and costs ascribed to service from the Pipeline. In submitting its next rate application, VNG should start with column 1 of Schedule 12, the Adjusted Rate of Return Statement, with per books Virginia jurisdictional numbers that exclude the revenues, expenses and investment associated with the three customers which contracted with the Company for long-term service through the Pipeline (PT-1 customers) and the affect of the CNG purchase of VNG. The Virginia per books jurisdictional numbers should result from making necessary adjustments to the first column of Schedule 11, Total Company Per Books. The jurisdictional allocation factors should then be produced making only the necessary modifications to reflect normal weather.

F. Findings and Conclusions

In summary, we find:

(1) That the twelve months ending December 31, 1991, is an appropriate test period;

(2) That the Hearing Examiner's recommended adjustments, as modified herein, are reasonable and should be accepted;

(3) That for the test year, the Company's adjusted net operating income after all adjustments is $10,834,705;

(4) That for the test period, the Company's adjusted rate base is $175,752,209;

(5) That the Company's current cost of equity is within a range of 11.25% - 12.25%, and rates should be established using 11.75%, the midpoint of the authorized return on equity;

(6) That the Company's overall cost of capital is 9.972% based on the consolidated capital structure of Consolidated Natural Gas Company as of March 31, 1992;

(7) That the Company's proposed revenue requirement would result in unjust and unreasonable rates; and

(8) That the Company requires additional gross annual revenues of $10,429,742.

NOW, THEREFORE, IT IS ORDERED:

(1) That the findings and recommendations of the Hearing Examiner's January 29, 1993, report, as modified herein, are accepted;

(2) That the Company shall forthwith file revised tariffs designed to produce $10,429,742 in additional gross revenues effective for service rendered on and after September 4, 1992;

(3) That Company and Staff shall perform and file the cost of service study or studies on which they believe the Commission should rely in apportioning any increase or adjusting rates in Company's next rate case, whether expedited or general;

(4) That, on or before September 1, 1993, VNG shall refund, with interest as directed below, all revenues collected from the application of the interim rates which were effective for service beginning September 4, 1992, to the extent that such revenues exceeded, on an annual basis, the revenues which would have been produced by the rates approved herein;

(5) 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 ("Selected Interest Rates") (Statistical Release G.13), for the three months of the preceding calendar quarter;

(6) That the interest required to be paid shall be compounded quarterly;

(7) That 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. VNG 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. VNG may retain refunds owed to former customers when such refund amount is less than $1; however, VNG 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 VNG and request refunds, such refunds shall be made promptly. All unclaimed refunds shall be handled in accordance with Virginia Code § 55-210.6:2;

(8) That on or before September 1, 1993, VNG shall file 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, the personnel hours, associated salaries and cost for verifying and correcting the refund methodology and developing a computer program;

(9) That VNG shall bear all costs of the refunds directed in this order; and

(10) That, 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.

NOTE: A copy of Appendix A entitled "Class Revenue Increase Allocation" 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. PUE920033
FEBRUARY 10, 1993

APPLICATION OF
INDIAN FIELD WATER SUPPLY

To discontinue service pursuant to § 56-265.1(b)(1)

ORDER GRANTING REQUEST TO WITHDRAW APPLICATION

On April 9, 1992, Indian Field Water Supply ("Indian Field" or "Company") filed an application pursuant to Virginia Code § 56-265.1(b)(1). In its application, Company requested authority to discontinue water service to approximately twenty-five (25) customers located in Richmond County, Virginia. By letter dated November 9, 1992, Company requested permission to withdraw its application. In its letter, Company noted that only five of its customers still remained connected to the system.

On January 14, 1993, Staff filed a report detailing the results of an investigation relevant to Company's request to withdraw its application. In its report, Staff confirmed that most of Company's twenty-five customers now have their own wells and that only five customers still remain connected to the system. Staff noted that Company now has the ability to continue to provide water service to its remaining customers due to the drastic decline in system's water usage. Staff therefore recommended that the Commission grant Indian Field's request to withdraw its application and dismiss this case from the Commission's docket of active cases.

Now the Commission, having considered Company's request and Staff's report, is of the opinion and finds that Company's request is reasonable and should be granted. The Commission is of the further opinion that this case should be dismissed. Accordingly,

IT IS ORDERED:

(1) That Company's request to withdraw its application is thereby granted; and

(2) That this case shall be dismissed from the Commission's docket of active cases and the papers passed to the file for ended causes.

CASE NO. PUE920037
OCTOBER 15, 1993

APPLICATION OF
COMMONWEALTH GAS SERVICES, INC.

For a general increase in rates

FINAL ORDER

On May 4, 1992, Commonwealth Gas Services, Inc. ("CGS" or "the Company") filed an application for a general increase in rates designed to produce additional annual revenues of $10,048,470 based on a test year ending December 31, 1991. The application also proposed changes in the Company's terms and conditions of service and requested approval of a new rate schedule governing the sale, transportation and exchange of natural gas between the Company and other gas distribution companies in Virginia.

On May 26, 1992, the Commission entered an order suspending the Company's proposed tariffs through October 1, 1992. By Order dated June 12, 1992, the Commission appointed a Hearing Examiner to conduct further proceedings, set the matter for public hearing on November 17, 1992 and established a procedural schedule for filings of pleadings, prepared testimony and exhibits.

The public hearing commenced on November 17 and concluded on November 20, 1992. Counsel appearing were Stephen H. Watts, II, Stephen V. Seiple and Allan E. Roth for the Company; James C. Dimitri and Steven L. Dalle Mura for Allied Signal, Inc., Reynolds Metals Company, Westvaco Corporation, Owens-Illinois, Inc., Virginia Fibre Corporation, Conoco, Inc./DuPont, and ICI America, Inc. ("Industrial Protestants"); Eric M. Page for the Division of Consumer Counsel, Office of the Attorney General ("Consumer Counsel"); Pamela Johnson for Virginia Electric and Power Company ("Virginia Power"); and Deborah V. Ellenberg and Wayne N. Smith for the Commission Staff.

The Examiner issued his Report on June 9, 1993 and the parties submitted comments and exceptions on July 2, 1993.

Based upon the evidence received, the Examiner found:

(1) A test year ending December 31, 1991, is proper in this proceeding;

(2) The Company's test year operating revenues after all adjustments, were $124,192,085;

(3) The Company's test year operating revenue deductions, after all adjustments, were $114,334,200;

(4) The Company's test year net operating income and adjusted operating income, after all adjustments, were $9,857,885 and $9,659,585, respectively;

(5) The Company's current rates produced a return on adjusted rate base of 7.10%, and a return on equity of 6.07%;

(6) The Company's current cost of equity is within a range of 11.25% to 12.25%; the Company's rates should be established based on the 11.75% midpoint of the equity range; and the Company's overall cost of capital, using the midpoint is 9.734%;

(7) The Company's adjusted test year rate base is $136,026,893;

(8) The Company's application requesting $10,048,470 in additional gross revenues is unjust and unreasonable because it will generate a return on rate base greater than 9.734%;

(9) The Company requires $5,593,554 in additional gross annual revenues to earn a 9.734% return on rate base;

(10) The Company's rate design and terms and conditions of service should be modified in accordance with recommendations contained in the Hearing Examiner's Report;

(11) The Company should file permanent rates designed to produce the additional revenues found reasonable using the revenue apportionment methodology recommended in the Report; and

(12) The Company should be required to promptly refund, with interest all revenues collected under its interim rates in excess of the amount found just and reasonable.

The Examiner recommended that the Commission enter an order adopting the findings of his Report, granting the Company an increase in gross annual revenues of $5,593,554, and directing the prompt refund of all amounts collected under the interim rates in excess of the increas found reasonable by the Examiner.

Having considered the record, the Examiner's Report, and the comments thereon, the Commission is of the opinion and finds that the findings and recommendations of the Hearing Examiner, except as modified herein, should be adopted. The Hearing Examiner's discussion of the issues and basis for his recommendations was thorough and well reasoned. Thus, we need not repeat it except for brief comments on those areas where we have made findings different from the Examiner and on several other issues which warrant further discussion.

EXPENSE ADJUSTMENTS

(1) Projected cost of service

The Company proposed to implement a number of "forward-looking" adjustments and rate mechanisms in this case designed to increase its revenue stability and improve its opportunity to earn its authorized return. One of those proposals was the use of fully projected accounting and financial data to establish rates. The Company's proposed rate increase is based on cost of service data projected through December 31, 1992, one full year beyond the end of the test year. Staff, the Consumer Counsel and Industrial Protestants base their recommendations on the Company's operating data for the historic test year adjusted for known and certain changes occurring through June 30, 1992. We agree with the Examiner that the Company's proposal to use projected cost of service data should be rejected.

(2) Advertising expenses

The Company has also proposed to recover almost three times the level of advertising expenses incurred during the test year. The Company asserts its test year expenses are low due to the financial problems of The Columbia Gas System, Inc. ("System"). The Commission has generally held that utilities operating in Virginia are allowed to recover a reasonable level of advertising expenses, including advertising expenses which promote cost effective conservation and load management ("CLM") programs. Promotional advertising expenses incurred primarily to increase load or market share, however, are not recoverable through rates unless a company proves the program is cost effective and serves the overall public interest. Commonwealth of Virginia, ex. rel. State Corporation Commission, Ex Parte: In re, Investigation of Conservation and Load Management Programs, Case No. PUE900070, Final Order at 14 (March 27, 1992) ("CLM Order").

This record does not support a finding that the Company has met the burden of proof set forth in the CLM Order which requires utilities to provide sufficient information either to segregate properly the recoverable portion of these expenses or to justify inclusion of the total amount in rates. As in a recently decided rate case for Virginia Natural Gas, Inc., however, we find that the CLM order was issued on March 27, 1992, after the time the Company had begun preparing its case. Application of Virginia Natural Gas, Inc. for a general increase in rates, Case No. PUE920031 (June 22, 1993). Therefore, consistent with the VNG case, we are not inclined to apply the CLM decision to data collected before that decision was rendered. In the future, the Company should be advised that we will expect stricter proof on these issues and applicants should be guided by our CLM decision in preparing their rate case data. We will adopt the Examiner's recommendation to allow advertising expenses at the test year level.

RATE BASE ADJUSTMENTS

(3) Post In-Service Carrying Charge

An additional adjustment included in Company's application in an effort to reduce some of the detrimental effects of abnormal weather and attrition on the Company's earnings was a new mechanism referred to as the post in-service carrying charge ("PISCC") adjustment. The primary purpose of the PISCC adjustment is to improve the Company's ability to earn its authorized return by guaranteeing a recovery of the Company's carrying charges on new plant additions not reflected in rate base. The PISCC adjustment would allow the Company to track and accrue carrying charges on all plant in service with an in-service date subsequent to the rate base valuation date used to set rates in the current case. The carrying charges would be accrued based on the actual interest rate incurred by the Company and continue until such time as the new plant was rolled into the Company's rate base in a future proceeding. Staff and the other parties to this proceeding oppose the PISCC adjustment.

The Commission has approved several rate mechanisms in the past to combat attrition. Unlike other mechanisms adopted by the Commission, however, the Company's proposed PISCC adjustment would operate as an automatic adjustment clause which would track and guarantee the recovery of the Company's carrying charges without considering other items in the Company's cost of service such as increased revenues or reduced costs which could offset entirely the need for an additional allowance. Utilities are not guaranteed a fixed return, only a reasonable opportunity to earn a fair return commensurate with prudent management. We therefore will adopt the Hearing Examiner's recommendation and reject the proposed PISCC adjustment.

(4) Updated Rate Base

We also concur with the Examiner's decision to use a September 30, 1992 rate base in this case. Such an updated rate base will balance the interests of both the Company and the ratepayer here. The September 30 rate base does give the Company a greater attrition allowance than that afforded by the June 30 rate base proposed by Staff and the Consumer Counsel. In support of the need for a greater attrition allowance, the Company provided testimony showing its rapid growth in plant warranted further adjustment. Our decision to allow an update of Company's rate base beyond the time of Staff's audit in this case is based on the unusual level of plant addition experienced by the Company in the rate year due in part to the aggressive Lynchburg remediation program. We also rely on the Examiner's finding that the updated rate base data is reliable in this case. This decision therefore will not establish a new precedent for evaluating the appropriate rate base to use for ratemaking. The later update here will, however, offset some of the problems caused by CGS's rapid growth. Hence we find a September 30, 1992 rate base is appropriate here to counter the Company's attrition. Ratepayers, on the other hand, are also protected by use of a September 30 actual rate base rather than use of a projected rate base since it incorporates actual plant data and does not rely on budgeted or projected data.

CAPITAL STRUCTURE AND OVERALL COST OF CAPITAL

(5) Capital Structure

All parties and Staff agreed that the combined capitalization ratios of the Columbia Gas Distribution Companies ("CDC") should be used to determine the Company's cost of capital for the purposes of this case. It clearly is inappropriate to continue using the consolidated capital structure ratios of System since System is currently in bankruptcy. Controversy, however, arose over the date at which the capital structure should be determined.

The Company urged the use of projected CDC capital structure ratios as of December 31, 1992. The Company also offered to substitute actual December 31, 1992 capital structure ratios for the projected ratios when the data became available if the Commission was concerned with projected data. In the alternative the Company suggested the CDC capital structure ratios as of June 30, 1992 would be reasonable. Staff, on the other hand, supported the use of the consolidated CDC capital structure ratios as of December 31, 1991, and the Hearing Examiner found Staff's proposal to be reasonable.

We agree with the Hearing Examiner. As he noted, attempting to compile estimates and projections for several companies complicates the already difficult process of accurately projecting data. Company's suggestion to leave the record open to replace the projections with actual data was also appropriately rejected by the Examiner. Further, financial data used to establish the appropriate capital structure should not be distorted due to unusual events or short term variances as is the case with the Company's June 30, 1993 proposal.

(6) Flotation Costs

Flotation costs were also at issue in this case. Both Company and Staff adjusted their cost of equity recommendations to recognize Company's flotation costs and applied a formula approach which allows recovery of past issuance expenses. The Consumer Counsel opposed any allowance for flotation costs in this case because System did not incur any such expenses in the test year and did not expect a public issuance in the near future. The Examiner rejected the proposed formula approach because it grants a flotation cost adjustment regardless of whether a utility has stated plans for future stock offering.

We also reject the flotation adjustment here. The record reveals that System has no stated plans for future stock offerings. We have allowed an adjustment for flotation costs in cases where stock issues are continuing or expected to occur in the near future and the amount of issuance expense is reasonably known and certain. Since no stock is being issued due to the still pending System bankruptcy, no adjustment should be made. Moreover, since no adjustment should be made, we need not reach the question of which methodology should be used to determine an appropriate flotation adjustment in this case.

(7) Cost of Capital

We concur with the Hearing Examiner's recommendation on the cost of capital for CGS. Based on the evidence we find a range 11.25% - 12.25% to be appropriate for CGS's cost of equity, with the revenue requirement calculated based on the mid-point, 11.75%. The Company's overall cost of capital is 9.734% based on the CDC December 31, 1991 capital structure ratios, the embedded senior capital cost rates supplied by Staff witness Brooks and an authorized return on equity of 11.75%.

We also agree that inclusion in the cost of debt of the origination fees on the non-existent $320 million line of credit is not proper. The origination fees arise from the System's bankruptcy, and the Company has repeatedly assured the Commission and its Staff that the bankruptcy would have not detrimental effect on the Company's operations in Virginia. The Company should not be allowed to pass additional costs on to the ratepayers.

OVERALL REVENUE REQUIREMENT

Based on our resolution of the issues presented in this case, we find that the Company's additional annual revenue requirement is $5,593,554.

Adjusted Net Operating Income (ANOI)	$ 9,659,585
Rate Base	$136,026,893
Rate of Return at 11.75% ROE	0.09734
Required Adjusted Operating Income	$ 13,240,858
Adjusted Operating Income	$ 9,659,585
Net Required Operating Income	$ 3,581,273
Revenue Conversion Factor	0.6403
Revenue Requirement	$ 5,593,554

REVENUE APPORTIONMENT AND RATE DESIGN

(8) Apportionment of Increase

Numerous cost of service studies were filed to support the revenue apportionment recommended by the Company, Staff, and other parties. The proper cost allocation methodology, in fact, was one of the most contentious issues in this case. As the Examiner noted, Company and Staff supported remarkably similar relative class rates of return and revenue apportionments despite different cost allocations contained in their customer/demand cost of service studies which also impacted their midpoint studies. The Consumer Counsel and the Industrial Protestants also presented cost of service studies with differing cost allocation approaches.

The primary goal of a cost of service study is to allocate and assign costs and revenues to each customer class as reasonably consistent as possible with the incurrence of those costs. However, it must be recognized that there is no scientifically correct method for allocating costs. A

certain amount of judgment must be used in any cost of service study. Cost of service studies are not precision instruments, but rather tools to facilitate the establishment of a zone of reasonableness. This zone of reasonable class rates of return can then be used as a guide to apportion a utility's revenue requirement.

This Commission has previously held that:

> [C]lass cost of service studies do not determine the actual cost of serving any particular class of customers. They are instead mere estimates of class cost of service. Sound ratemaking appropriately recognizes the importance and place of estimates in apportioning revenue.

Application of Virginia Natural Gas, Inc., 1991 S.C.C. Ann. Rept. 297 at 298.

Moreover, in a more recent Virginia Natural Gas case, the Commission held that:

> cost of service studies can be only guides to apportion rate increases. Class cost of service studies presented in this case do not determine the actual cost of serving any particular class of customers; they are only estimates.

Application of Virginia Natural Gas, Inc., Case No. PUE920031, Final Order dated June 22, 1993.

We will rely primarily on the results of the Staff and Company studies to apportion the additional revenues awarded in this case. We agree with the Examiner that it is not necessary to select one study over the other since the relative class rates of return reported by the several studies are comparable.

All of the Company's customer classes, with the exception of the residential class, appear to be generating class returns which equal or exceed the overall system rate of return. We, therefore, will apportion the increase approved herein to the residential class. The residential class was allocated $7.3 million of the proposed increase on an interim basis subject to refund. Residential customers are currently paying interim rates designed to recover that amount. Even with the entire $5.6 million increase recovered from the residential class, those customers will still receive a significant reduction from the current level of interim rates. Such apportionment will move the residential class closer to parity while avoiding any unnecessary rate shock.

Like the Examiner we want to make it clear that this decision does not mean any future expedited rate increase should be allocated entirely to the residential class. However, rather than apportioning any such expedited increase on an equal percentage basis, Company should provide a cost of service study to support its proposed revenue apportionments. As Company has an expedited case filed subsequent to this application and now docketed and pending as Case No. PUE930035, it should supplement that filing with a cost service study within 30 days from the date of this order.

(9) Weather Normalization Adjustment

The Company has also proposed to implement a weather normalization adjustment ("WNA"). The WNA would utilize computers to eliminate the impacts of abnormal weather by adjusting a customer's actual monthly volumes based on the variance between normal and actual heating degree days. The adjustment would be calculated by taking each customer's actual usage during the month and segregating heating usage from base usage. Volumes attributable to heating usage would then be divided by the actual degree days in a billing period. The resulting heating usage per degree day would then be multiplied by the normal degree days for the month and the product would be substituted for the heating usage reflecting the actual degree days. The WNA would be applied to the non-gas portion of rates under the Residential, Metered Propane, Small General Service, and Space Conditioning rate schedules. It would not be applied to Large Commercial and Industrial customers because, the Company asserts, their usage is generally not impacted by weather variations.

Staff and the Consumer Counsel oppose the implementation of a WNA clause and the Examiner recommended the Company's proposal be denied. We agree. We have been reluctant to approve automatic adjustment clauses in the past and will not approve this extraordinary clause in this case.

Testimony offered on the experience of other states which have implemented similar WNA's revealed substantial customer opposition. Customers were confused and angry when asked to pay higher bills for lower than average gas usage during warmer than normal months. Moreover, the WNA sends inappropriate price signals. The WNA would reduce unit cost during cold weather and thereby provide little or no incentive for residential or small commercial customers to conserve during Company's peak usage season.

(10) Distributor Exchange Schedule

Company also proposed a new Distributor Exchange Service ("DES") rate schedule which will govern the sale, transportation or exchange of gas between the Company and other Virginia gas distribution companies. Staff expressed concern over the broad language of the tariff, particularly the tariff's failure to better define the charges for sales and transportation services. The Examiner found that the schedule appears acceptable for gas exchanges since generally little or no revenues exchange hands during such transactions, but he also found that the same is not true for sales and transportation service. Therefore, he recommends that the schedule be revised to incorporate more cost-specific terms and conditions for transportation and sales services.

We will order the DES schedule to be revised in accordance with the Examiner's recommendations. One of the fundamental principles of utility regulation is that similarly situated customers should receive similar rates and consistent treatment by utilities. The proposed wording of the DES tariff is simply too broad and presents a danger of preferential or discriminatory treatment among similarly situated customers. It therefore must be revised to include a specific listing of the sales and transportation rates or, at the very least, a listing of the various cost components of each service, to which it applies.

(11) Transportation Customer Charge

The Hearing Examiner recommended that we adopt the Company's proposal to increase the transportation service customer charge from $500.00 to $650.00. In support of his recommendation, the Hearing Examiner noted that the cost of service studies filed in this case produce a wide range of interruptible transportation service ("ITS") customer costs, running from a low of $554.00 under the Staff's demand/commodity study to a high of $936.00 under its midpoint study. The Examiner specifically noted that Staff's midpoint study showed the actual customer costs to be $936.40 for the interruptible transportation service class. He found that the Company's proposed customer charge would move the charge closer to the Company's actual costs for the class. Close evaluation of the customer based costs, however, reveals that the industrial ITS customer costs range from $645.89 to $1,094.14 as reflected in Staff's studies. Staff's analysis further reveals costs ranging from only $197.64 to $326.95 for the commercial ITS customers. Thus, while the existing customer charge of $500.00 is below the total customer based costs by rate schedule, it is already well above the costs imposed by the commercial ITS customers alone.

The Staff's midpoint study rate of return summary before incorporating the rate increase, and attached to the Examiner's Report, shows the rate of return earned on the transportation rate from the commercial customers in that class to be 25.92%. Yet, the return earned from the industrial customers in that same transportation class is only 8.26%. Similarly, Staff's midpoint study rate of return summary incorporating the rate increase shows the rate of return earned on the transportation rate from the commercial ITS customers to be 25.97%. The return earned from the industrial customers in that class is 8.29%.[1] Any increase in the transportation customer charge will tend to shift the costs within that ITS class to the commercial customers thereby exacerbating the existing disparity. We therefore find the customer charge to the transportation class should not be increased at this time.

Moreover, in view of the wide variance between commercial and industrial transportation customer costs and rates of return, we find that the Company should explore the establishment of separate rate schedules for these two customer groups. While we encourage CGS to explore such a change in its rate design, its pending application in Case No. PUE930035 need not be revised to address this issue. Any subsequent filing however, should address this issue.

(12) Other Rate Design Proposals

The Hearing Examiner recommended disposition of several other rate design proposals and proposed revisions to the terms and conditions of service and rate schedules. We adopt his recommendations on all those issues.

NOW, THEREFORE, IT IS ORDERED:

(1) That the findings and recommendations of the Hearing Examiner set fort in his June 9, 1993 Report, as modified herein, are adopted;

(2) That in accordance with Staff's recommendation, CGS shall revise its Distributor Exchange Service rate schedule to provide a specific listing of the sales and transportation rates or, at the very least, a listing of the various cost components for each service. Such revised schedule shall be reviewed by Staff to assure compliance with this directive;

(3) That the Company shall forthwith file revised tariffs designed to produce $5,593,554 in additional gross revenues effective for service rendered on and after October 2, 1992;

(4) That, on or before December 1, 1993, CGS shall refund, with interest as directed below all revenues collected from the application of the interim rates which were effective for service beginning October 2, 1992, to the extent that such revenues exceeded on an annual basis, the revenues which would have been produced by the rates approved herein;

(5) 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 1%, of the prime rate value 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 proceeding calendar quarter;

(6) That the interest required to be paid shall be compounded quarterly;

(7) That the refunds ordered 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. CGS may offset the credit or refund to the extent that 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. CGS may retain refunds owed to former customers when such refund amount is less than $1; however, CGS 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 contacts CGS and request refunds, such refunds shall be made promptly. All unclaimed refunds shall be handled in accordance with Virginia Code § 55-210.6(2);

(8) That on or before January 1, 1994, CGS shall file a document showing that all refunds have been lawfully made pursuant to this order and itemizing the cost of the refund and account charged. Such itemization of cost shall include, inter alia, computer cost, the personnel hours, associated salaries and costs for verifying and correcting the refund methodology and developing a computer program;

(9) That CGS shall bear all cost of the refunds directed in this order;

(10) That within 30 days of this order CGS shall prepare and file a cost of service study in Case No. PUE930035; and

(11) That there being nothing further to come before the Commission, this matter shall be removed from the docket and the associated papers shall be placed in the file for ended causes.

[1]The Staff midpoint study rate of return summary attached to the Hearing Examiner's Report reflects the revenue requirement recommendation of the Hearing Examiner, however, the indicated rates of return earned on the rate for the transportation service do not appear to reflect the rate design change to the customer charge which he also recommended and which is discussed here.

CASE NO. PUE920038
JUNE 8, 1993

APPLICATION OF
RAPPAHANNOCK ELECTRIC COOPERATIVE

For a General Increase in Electric Rates

FINAL ORDER

On May 11, 1992, Rappahannock Electric Cooperative ("Rappahannock" or the "Cooperative") filed an application for a general increase in electric rates designed to produce additional annual operating revenues of $6,999,876 based upon the test year ending December 31, 1991. The proposed revenue increase is based upon a proposed modified TIER of 1.93. Rappahannock also requested certain amendments to its Terms and Conditions of Service.

On May 29, 1992, the Commission issued an order suspending the proposed rates through October, 1992. On June 10, 1992, the Commission issued an order setting a procedural schedule and a hearing date.

The public hearing on the application was convened on October 28, 1992. Counsel appearing at the hearing were J. R. Yeaman, III and Daryl Andrew Nelson for Rappahannock; Steven L. Dalle Mura for Bear Island Paper Company; and Robert M. Gillespie for Commission Staff.

Proof of service and publication were marked as Exhibit A and made a part of the record. On November 10, 1992 interim rates were placed in effect. On December 9, 1992 the Staff and Rappahannock filed briefs in this case.

On February 24, 1993, Hearing Examiner Howard P. Anderson, Jr. issued his report in which he discussed the issues raised in this proceeding and his recommendations for resolution. Specifically, he found that based on the evidence received in this case:

(1) The use of a test year ending December 31, 1991 is proper in this proceeding;

(2) The Cooperative's adjusted total margins for the test period were $3,879,629, and its modified margins under Staff's method were $3,339,192;

(3) The Cooperative's total adjusted long-term debt interest expense was $6,854,681;

(4) The Cooperative's total adjusted depreciation expense was $5,782,428;

(5) The Staff's adjustments to the Modified TIER and modified margins are appropriate based on the facts in this case;

(6) An increase in operating revenue of $3,610,764 is just and reasonable;

(7) The recommended revenue increase would provide for a Modified TIER of 2.0 based on Staff's methodology, a modified TIER of 1.57 based on previous methodology, and an actual TIER of 2.08;

(8) Any reduction in the revenue increase requested by the Cooperative should be first applied to the large power and residential classes;

(9) The Cooperative's Terms and Conditions of Service should be modified as proposed by Staff;

(10) Rappahannock should be authorized to roll-in to base rates wholesale power cost riders RS84-2, RS85-1, RS86-1, RS87-1, RS88-1, RS89-1, RS90-1, RS91-1, RS92-1, and S92-1;

(11) Rappahannock's 1993 and future SEPA riders should incorporate as the Cooperative's capacity cost base, the 22,427 kW per month times the current $3.83 rate or $85,895 per month;

(12) Rappahannock's WPCA fuel factor should be adjusted, effective November 10, 1992, to reflect the amount of SEPA energy built into base rates. The new SEPA energy base is $421,850 per year (55,000,000 kWh times the current SEPA energy tariff of $.00767); and

(13) The Cooperative should be required to refund promptly, with interest, all revenues collected under its interim rates in excess of the amount found just and reasonable herein.

On March 11, 1993, Rappahannock Electric Cooperative filed exceptions to the Hearing Examiner's report. In its exceptions, Rappahannock took issue with the Hearing Examiner's recommendations relating to certain accounting and revenue allocation issues.

Rappahannock urged the Commission to reject the Examiner's recommendation relating to the proposed new modified TIER, the level of uncollectible expenses, and the operating expenses related to updated rate base. The Cooperative also disagreed with the revenue allocation recommended by the Hearing Examiner which would apportion the revenue decrease from the amount originally proposed in the application first to the large power and residential classes, consistent with the Staff's recommendation.

NOW THE COMMISSION, upon consideration of the record, the Examiner's report, the exceptions thereto, and the applicable statutes, is of the opinion and finds that the findings and recommendations contained in the February 24, 1993 Examiner's report, as modified herein, should be adopted.

We adopt the analysis, findings and recommendations as our own on issues relating to the level of uncollectible expenses, the appropriate level of operating expenses, the proposed changes to the Terms and Conditions of Service and Operation Round-Up. We disagree with the Hearing Examiner's determination of revenue requirement, particularly his finding that Staff's revised TIER methodology should be used to calculate the requirement. The Commission believes that issues relating to the level of uncollectible expenses, the level of operating expenses, revenue allocation, the determination of revenue requirement, and the testimony relating to the Cooperative's quality of service require further discussion herein.

UNCOLLECTIBLE EXPENSE

Rappahannock objected to the Hearing Examiner's report which adopted the Staff methodology for determining the level of uncollectibles allowed in the cost of service. The Examiner adopted 0.16% as the percentage of the Cooperative's sales which should be used to calculate uncollectible expense. This figure included a reduction for available capital credits which are due to the defaulting accounts. The Cooperative urged the Commission to adopt 0.30%, which would not include a reduction for capital credits. The Cooperative argued that the Hearing Examiner's recommendation should be rejected for two reasons: (1) if capital credits are applied immediately to defaulting accounts, this is unfair to other customers who do not receive the benefits of capital credits until a future date; and (2) the terms of the Cooperative's by-laws prohibit members from offsetting any debt owed by capital credits accrued.

We agree with the recommendation of the Hearing Examiner. A double recovery by the Cooperative would result if the defaulting customers' capital credits are not considered for ratemaking purposes. The uncollectible expense factor adopted by the Examiner is proper because it includes capital credits and prevents the double recovery.

OPERATING EXPENSES

The Hearing Examiner adopted Staff's position which limited the pro forma adjustments for operating expenses to known and certain amounts through June 30, 1992. The Cooperative argued that the Examiner improperly excluded the additional adjustments proposed by the Cooperative for other expenses such as operations, maintenance, customer accounts expense beyond payroll, or the cost of operating and maintaining an additional 108 miles of line. Rappahannock argued that an additional amount of $72,160 in operating expenses should have been allowed by the Hearing Examiner through June 30, 1992.

We agree with the Hearing Examiner that adjustments to operating expenses should be limited to those expenses that can be predicted with reasonable certainty, and which can be quantified, consistent with the provisions of § 56-235.2 of the Code of Virginia.

REVENUE REQUIREMENT

In determining revenue requirement, the Hearing Examiner stated that he used the Staff's new or revised Modified TIER method. Although it is clear the Examiner considered a number of factors, the final calculation was based on the Staff's new Modified TIER method. At the hearing and on brief Rappahannock argued strongly that Staff's new Modified TIER should be rejected and that the Company's full rate request should be granted. As part of its presentation, Rappahannock explained that cooperatives have, and will continue to have, new financial challenges and that they cannot rely on the REA as they have in the past. Rappahannock and Old Dominion Electric Cooperative (through its Vice President Daniel Walker) argued that Virginia cooperatives have to remain financially strong to be able to obtain funding in the future.

Rappahannock seemed to argue that the TIER methodology was the principal determinate of financial strength and thus the main issue in this case. We disagree. The primary issue in this case is not whether a particular TIER method is used or considered. Rather, the issue is whether Rappahannock's revenues are sufficient under § 56-226 of the Code of Virginia. Indeed, Rappahannock Witness Gaines made this precise point in his prefiled rebuttal testimony when he said that the Company did not base its revenue request on a particular TIER level, but rather determined the revenue requirement and then calculated the TIER levels.

Various forms of TIER are financial indicators that lenders, financial analysts and we use in examining a particular cooperative. In addition, among other factors, we consider various financial ratios as well as growth, the need for new construction, and expense levels. All of these factors and data are useful, and no one factor holds the answer.

We are aware of the new challenges facing Rappahannock and the other cooperatives we regulate. We know that they will be examined by investment analysts in a new light. We too must look at these cooperatives anew and that may require new or different instruments. We must set rates for the cooperatives that are just and reasonable and produce income sufficient to maintain the cooperative's property in a sound physical and financial condition to render adequate and efficient service. This requires financial strength.

In this case, we have considered all of the evidence, factors and arguments presented. In considering TIER in this proceeding, we rely primarily on ACTUAL TIER and Modified TIER as outline in Application of Southside Electric Cooperative, 1986 S.C.C. Ann. Rept. 301. We find that by applying Staff's accounting adjustments including the Staff levels of uncollectible expense and operating expenses, the revenue requirement for Rappahannock is $4,868,250. This results in a Modified TIER of 1.75 and an ACTUAL TIER of 2.26. This ACTUAL TIER point well exceeds the 1.50 ACTUAL TIER minimum which the Cooperative is bound to maintain under its mortgage agreement with REA. We find that the revenues will provide sufficient margin to assure Rappahannock's financial health and to meet the requirements for just and reasonable rates under § 56-226 of the Code of Virginia.

REVENUE ALLOCATION

Rappahannock argued that the Commission should reject the Examiner's recommendation because it allocated the revenue decrease from the amount originally proposed in the application first to the residential and large power classes. The Staff recommended that if a revenue requirement is approved that is less than the amount in the application, the revenue decrease should be applied first to the residential and large power classes. We find that tariffs, including base rates and other charges, designed to produce additional gross revenues in the amount of $4,868,250 should be allocated among the Cooperative's classes in the following manner:

Class	Present Revenue	Additional Revenue	Percentage Increase
Residential	$59,531,539	$3,446,212	5.79%
Small General Service	6,533,917	313,628	4.80%
Large Power	11,906,384	842,623	7.08%
Interruptible Rider	2,280,458	119,919	5.26%
Lighting	1,185,698	22,129	1.87%
Bear Island	17,614,352	00	.00%
County & Municipal	393,900	17,319	4.40%
Base Rate Revenue	99,446,248	4,761,830	4.79%
Other Revenue	473,097	106,420	22.49%
TOTAL	$99,919,345	$4,868,250	4.87%

To accomplish the above allocations: (1) the price of each kilowatt-hour of the Residential, Small General Service and Large Power Schedules should be reduced by a uniform amount per schedule from the price per kilowatt-hour as proposed on each schedule in the Application, and (2) the Monthly Interruptible Capacity Credit should be adjusted by the appropriate uniform amount on the Interruptible Service Rider.

QUALITY OF SERVICE

The Hearing Examiner's report pointed out that seven public witnesses spoke at the October 28 hearing and complained of a history of frequent and long outages occurring in the area served by distribution circuits out of the Rixley Substation. The Hearing Examiner stated that although there are no performance criteria applicable to electric cooperatives, Rappahannock should be more responsive to the service needs of its customers, particularly in the area served by the Rixley Substation. We agree with the Hearing Examiner on this issue. We also recognize that the Rixley Substation is a delivery point owned by Rappahannock, but served by a Virginia Electric and Power Company ("Virginia Power") line which connects to a Virginia Power transformer located in the Rixley Substation. Virginia Power thus has responsibility for the operation and maintenance of the line and transformer providing service to the Rixley Substation. Therefore, the Commission directs the Staff and the Cooperative to work with Virginia Power to eliminate the service reliability problems experienced by those consumers whose service is provided by distribution circuits originating in the Rixley Substation. Rappahannock shall file quarterly progress reports with the Division of Energy which describe the actions undertaken to improve service to these customers.

NOW, THEREFORE, IT IS ORDERED:

(1) That the findings and recommendations of the Hearing Examiner's February 24, 1993 report, as modified herein, are adopted;

(2) That the revenue increase approved herein results in a modified TIER of 1.75, based on the methodology adopted in the Southside Electric Cooperative case, and an actual TIER of 2.26;

(3) That the Cooperative shall forthwith file revised tariffs, including base rates, charges, terms and conditions, designed to produce $4,868,250 in additional gross revenues effective for service rendered on and after November 10, 1992;

(4) That the revenue increase be allocated to the classes according to the schedule set forth in this order. Such allocation shall include a reduction in the three-phase residential customer charge from the proposed $15.00 to $12.15 and an increase of the first step of the energy charge by 0.00001. That the Cooperative's Terms and Conditions of Service should be modified as proposed by the Staff and by adoption of the Staff-proposed revisions to the line extension policy and the excess facilities tariff;

(5) Rappahannock is authorized to roll into base rates wholesale power costs riders RS84-2, RS85-1, RS86-1, RS87-1, RS88-1, RS89-1, RS90-1, RS91-1, RS92-1, and S92-1;

(6) Rappahannock's 1993 and future SEPA riders should incorporate as its capacity cost base 22,427 kW per month times the current $3.83 rate or $85,895 per month;

(7) Rappahannock's WPCA fuel factor should be adjusted effective November 10, 1992, to reflect the amount of SEPA energy built into base rates. The new SEPA energy base is $421,850 per year (55,000,000 kWh times the current SEPA energy tariff of $.00767);

(8) That the Cooperative shall promptly refund, with interest, all revenues collected under its interim rates in excess of the revenues which would have been produced, on an annual basis, by the rates approved herein;

(9) That interest upon such refunds shall be computed from the date payment of each monthly bill was due during the interim 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;

(10) That the interest required to be paid shall be compounded quarterly;

(11) That the refunds ordered in paragraph (8) 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. Rappahannock 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. Rappahannock may retain refunds owed to former customers when such refund amount is less than $1; however, Rappahannock 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 Rappahannock and request refunds, such refunds shall be made promptly. All unclaimed refunds shall be handled in accordance with Virginia Code § 55-210.6:2;

(12) That on or before October 1, 1993, the Cooperative 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 account charged. Such itemization of costs shall include, inter alia, computer costs, the personnel hours, associated salaries and cost for verifying and correcting the refund methodology and developing a computer program;

(13) That Rappahannock shall bear all costs of the refunds directed in this order;

(14) That the Cooperative shall file quarterly reports on the progress of improvements made to the area served by the Rixley Substation with the Division of Energy Regulation beginning July 1, 1993;

(15) That approval of Operation Round-Up is denied; and

(16) That 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 cases.

CASE NO. PUE920040
APRIL 7, 1993

APPLICATION OF
DELMARVA POWER & LIGHT COMPANY

For an expedited increase in rates

FINAL ORDER

On May 27, 1992, Delmarva Power & Light Company ("Delmarva" or "the Company") filed an application for an expedited increase in rates based upon the Company's test year ending December 31, 1991. Delmarva's proposed increase was designed to produce additional annual operating revenue of $1,500,000. In its application Delmarva requested the proposed increase go into effect on June 26, 1992, subject to refund pending a final decision in this case. By letter filed June 23, 1992, however, Delmarva requested that it be permitted to delay implementation of the proposed base rate increase until July 1, 1992, enabling the Company to implement its base rate change coincident with its fuel factor change.

On June 30, 1992, the Commission entered an order authorizing the Company to place its rate increase in effect on an interim basis, subject to refund with interest. Subsequently, the Commission entered an Order Prescribing Notice and Hearing dated July 8, 1992, directing the Company to provide public notice of its application, setting the matter for hearing before a hearing examiner on December 8, 1992, and establishing a procedural schedule for the filing of testimony and exhibits.

By order dated November 19, 1992, the Hearing Examiner granted the request of Delmarva and Commission Staff ("Staff") to continue the hearing date for this matter from December 8, 1992, to December 17, 1992; however, the original hearing date of December 8, 1992, was retained for the sole purpose of hearing public witnesses. The dates for Staff to file its direct testimony and Delmarva to file its rebuttal testimony were also extended.

Staff filed its testimony on November 25, 1992. Staff recommended an increase in gross annual revenues of $855,623 based on a 9.193% cost of capital and an 11.4% return on equity which is the mid-point of a 10.9% - 11.9% cost of equity range. Staff's cost of capital recommendation was based on Delmarva's September 30, 1992 capital structure as adjusted to reflect the net amount of long-term debt, a thirteen month average balance of short-term debt and the removal of cost free and non-utility capital.

On December 11, 1992, Staff, by counsel, filed a Motion for Leave to File Supplemental Testimony and for a continuance of the date for filing rebuttal testimony, which was granted by Hearing Examiner's Ruling dated December 14, 1992.

On December 16, 1992, Commission Staff filed its supplemental testimony. The supplemental testimony contained three accounting corrections, which cumulatively increased the Company's revenue requirement by $25,993. The testimony also proposed two additional accounting adjustments, neither of which were proposed by the Company in its direct case. The first accounting adjustment recognized a September 30, 1992, balance of Construction Work In Progress ("CWIP") associated with the Company's Hay Road Unit 4 combined cycle project. This adjustment increased the Company's revenue requirement by $193,916. The second adjustment recognized a rate year level of capacity payments to Star Enterprise, a non-utility generator. This adjustment increased the Company's revenue requirement by $39,776.

In its supplemental testimony, Staff also updated its cost of equity and cost of capital estimates for Delmarva, based upon changes in market conditions. The range of Staff's updated cost of equity estimate for Delmarva increased by ten basis points to 11.00% - 12.00%. Based on the Company's generating unit performance, Staff recommended the mid-point of the cost of equity range. The updated overall cost of capital range supported by Staff was 9.025% - 9.445%.

On December 16, 1992, Delmarva, by counsel, filed a letter stating that, for purposes of resolving this proceeding, the Company did not take exception to Staff's recommended revenue increase of $1,149,956. Accordingly, the Company stated that it would not file rebuttal testimony and would waive its right to cross-examine Staff witnesses when their testimony, including the supplemental testimony, was presented at the hearing.

In this letter the Company also agreed to submit a comprehensive lead/lag study, applicable to its Virginia jurisdiction, to the Division of Public Utility Accounting at least 30 days before filing its next rate case. Delmarva further stated that it did not oppose Staff's recommendation that the Company adjust the deferred balance of the cost of its abandoned Nanticoke project to reflect a 5-year amortization of the $202,374 applicable to Virginia over a 5-year period beginning January 1, 1990.

On December 16, 1992, Staff, by its counsel, filed a letter stating that Staff was willing to waive its right to cross-examine Delmarva's witnesses at the hearing of this matter, as all issues between Staff and Delmarva had been resolved.

At the appointed time the matter came on to be heard before the Hearing Examiner. Delmarva and Staff were represented by counsel. No interveners or public witnesses appeared on either the date reserved for public witnesses, or the latter hearing date. Pursuant to the terms of the letters filed by Delmarva and Staff, all prefiled testimony and exhibits were received into the record without cross-examination.

On January 14, 1993, the Hearing Examiner issued his Report. In his report, the Examiner adopted Staff's recommendations that the Company be directed to submit a comprehensive lead/lag study applicable to its Virginia jurisdiction at least sixty (60) days prior to its next rate application; that the Company's demand allocation methods be reevaluated in its next rate filing, as well as a class cost study, including unitized class cost components; and that the Company be directed to record its new depreciation rates effective July 1, 1992.

With respect to return on equity, the Examiner found Staff's supplemental testimony recommending the midpoint of an 11-12% range reasonable. The Examiner also found the three (3) accounting corrections of Staff's Supplemental Testimony relating to federal income tax calculations to be necessary and therefore recommended their acceptance.

The Examiner also noted that in its application the Company reflected about $907,000 of CWIP in rate base at the end of the test period for the Hay Road Unit 4. The Examiner further related that Staff, in its supplemental filing, proposed an increase to rate base by $1,580,000 to recognize CWIP incurred at the Hay Road Unit 4 from the end of the test period, December 31, 1991, through September 30, 1992. Staff made this proposal to recognize the cessation of AFUDC, effective January 1, 1992, by Final Order in the Company's last Annual Informational Filing, Case No. PUE910021, and the considerable increase in costs associated with construction of Hay Road Unit 4. The Hearing Examiner rejected Staff's CWIP increase beyond the end of the test period stating that no justifiable basis was given to deviate from the Commission's expedited rate case rules.

With respect to capacity payments, the Examiner correctly stated that effective December 31, 1991, the Company sold its Delaware City Power Plant and related assets to Star Enterprise, a general partnership. Under an agreement, Delmarva contracted to buy 48 MW of firm electric capacity; the capacity payments for such purchases began in June 1992 six months into the pro forma period. Although the Company did not seek to include the payments as part of its rate case, Staff's original testimony included a six month pro forma adjustment of $53,000. In its supplemental filing, however, Staff proposed to recognize a full rate year of expense. The Examiner rejected the rate year treatment of capacity expenses because he felt such costs were not legally permissible under the rate case rules in an expedited proceeding.

The Examiner recommended that the Commission enter an order adopting the findings and recommendations in his Report and requiring the Company to give appropriate refunds.

On February 5, 1993, the Company, by counsel, filed its comments on the Examiner's Final Report. The Company's comments addressed Hay Road Unit 4 CWIP, the annualization of payments for purchased capacity, and the proposed lead/lag study.

The Company takes issue with the Hearing Examiner's determination that a pro forma period level of CWIP is not permitted by the rate case rules because such treatment was not authorized in Delmarva's last general rate case. The Company asserts that this conclusion is incorrect for two reasons. First, the last comprehensive Commission review and determination of Delmarva rates was by final order in Case No. PUE870017 (1987 S.C.C. Ann. Rept. 283, Aug. 27, 1987). That proceeding was not an expedited case initiated by Delmarva, but a review of Delmarva's rates initiated by the Commission's March 6, 1987 Order to Initiate Investigation and to Require Submission of Data. The Company contends that in that case, post-test period CWIP was adjusted thereby providing a precedent for updating CWIP in this case. The Company notes that although initiated by the Commission, that proceeding had many characteristics of a general rate case.

Second, Delmarva points out that Staff was not prohibited from updating rate base for actual changes occurring after the filing of the application and before the hearing of the case, as occurred in the Delmarva case, because, in Virginia Committee for Fair Utility Rates v. VEPCO, 243 Va. 320, 414 S.E.2d 834 (1992), the Court held only that the utility should not have been permitted to proceed with its application as an expedited case because it included an adjustment not determined in its preceding general rate case. The Court did not say that other parties or Staff were prohibited from updating rate base for actual changes occurring after the filing of the application and before the hearing of the case. The Court's holding in Virginia Committee is consistent with the Commission's holding, in an earlier Virginia Power expedited rate case, that

"limitations [in expedited cases] are directed solely to the utility, not to other parties to the proceeding." (Application of Va. Electric and Power Company, Final Order, Case No. PUE880014, December 30, 1988, 1988 S.C.C. Ann. Rept. 312, 314).

With respect to the annualization of payments for purchased capacity, the Company, in its comments, notes that Delmarva began making capacity payments to Star Enterprise in June 1992 for the purchase of 48 MW of capacity. Staff originally included in cost of service only the pro forma year amount of $53,155. In its supplemental testimony Staff recognized the full annualized amount for capacity payments. The Company takes issue with the Hearing Examiner's ruling that including the rate year level of these expenses is not permitted by the rate case rules which "require limiting adjustments to a 'pro forma' period" (Final Report, p. 3). The Company again asserts that although Schedule 14 of the Commission's rate case rules provides in Section I(b) that pro forma adjustments are limited in expedited cases to the amount of increase or decrease that will be in effect during the pro forma period, that limitation is applicable only to the filing utility in an expedited case, not to other parties or Staff. The Company notes that the Staff (not the Company) made the adjustment to include capacity expenses for Star Enterprise through the end of the rate year, as it is permitted to do.

With respect to the Company's lead/lag study, the Company notes that it has not had a rate case before this Commission since the Commission established the practice of determining cash working capital requirements on the basis of a lead/lag study. The Company further states that it must file its next rate case which will be a general rate case as soon as possible and that if it is required to wait 60 days after filing a lead/lag study to file its rate application, the Company will be deprived of the opportunity to recover Hay Road Unit 4 costs for longer than necessary. Hay Road Unit 4 is expected to go into service in May 1993, and Delmarva is anxious to include this new unit in its rate base as soon possible. Delmarva further states that Staff has no objection to its agreement to file a lead/lag study not less than 30 days before filing its next rate application. Accordingly, the Company requests that the Commission reduce the Hearing Examiner's 60 day requirement to that of 30 days.

NOW THE COMMISSION, having considered the record, the Hearing Examiner's Report, and the Comments on the Hearing Examiner's Report, is of the opinion and finds that Staff's adjustments for CWIP and capacity payments do not violate the Commission's expedited rate case rules. Although the rate case rules would prevent Delmarva from requesting these adjustments, Staff is not so restrained. Application of Va. Electric and Power Company, Final Order, Case No. PUE880044, December 30, 1988, 1988 S.C.C. Ann. Rept. 312, 314. Accordingly, we find that Staff's adjustments for CWIP and the Star Enterprise capacity payments should be allowed.[1]

Although we agree with the Hearing Examiner that Delmarva should submit a comprehensive lead/lag study prior to filing its next rate application, we find that the study need only be filed 30 days in advance of the Company's next rate application. This time period is acceptable to both the Company and Staff.

Further, Staff has recommended that Delmarva adjust its deferred balance of the Nanticoke project abandonment cost to reflect a five-year amortization period beginning January 1, 1990. Delmarva, by counsel, filed a letter dated December 16, 1992 stating that the Company does not oppose this recommendation. The Commission finds this adjustment should be made.

NOW, THEREFORE, IT IS ORDERED:

(1) That the findings and recommendations of the Hearing Examiner's January 14, 1993 Report, as modified herein, are adopted;

(2) That Delmarva shall submit a comprehensive lead/lag study applicable to its Virginia jurisdiction no later than 30 days prior to filing its next rate application;

(3) That Delmarva is directed to record its new depreciation rates effective July 1, 1992;

(4) That Delmarva adjust its deferred balance of the Nanticoke project abandonment costs to reflect a five-year amortization beginning January 1, 1990;

(5) That Delmarva reevaluate its demand allocation methods used in the cost of service study and include the calculation of unitized class cost components in its next rate application;

(6) That the Company shall forthwith file revised tariffs designed to produce $1,149,956 in additional annual gross revenues effective for service rendered from July 1, 1992;

(7) That, on or before June 1, 1993, Delmarva shall refund with interest as directed below, all revenues collected from the application of the interim rates which were effective for service beginning July 1, 1992, to the extent that such revenues exceeded, on an annual basis, the revenues which would have been produced by the rates approved herein;

(8) 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 ("selected interest rates") (statistical release G.13), for the 3 months of the preceding calendar quarter;

(9) That the interest required to be paid shall be compounded quarterly;

(10) That the refunds ordered in paragraph (7) 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 $1.00 or more. Delmarva 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. Delmarva may retain refunds owed to former customers when such refund amount is less than $1.00; however, Delmarva will 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 contact Delmarva and request refunds, such refunds shall be made promptly. All unclaimed refunds shall be handled in accordance with Virginia Code § 55-210.6:2;

(11) That on or before July 1, 1993, Delmarva 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, personnel hours, associated salaries and costs for verifying and correcting the refund methodology and developing a computer program;

(12) That Delmarva shall bear all costs of the refunds directed in this order; and

(13) That, 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.

[1]The Commission is not persuaded that the Final Order in Delmarva's 1987 expedited Annual Informational Filing ("AIF") Case No. PUE870017 (1987 S.C.C. Ann. Rept. 283, August 27, 1987) provides a precedent for updating CWIP in this matter. In its 1987 AIF, Delmarva stated that the Company was then currently building a facility to house the information systems group and equipment. The Company proposed that, when complete, this building would be transferred to a non-utility subsidiary that would lease the building back to Delmarva. The Commission approved Staff's recommendation that the amount in CWIP and AFUDC associated with the building be removed, as Delmarva was adjusting for the lease expense. We fail to see how the removal of certain costs from CWIP is precedent for updating CWIP in this case.

CASE NO. PUE920040
MAY 11, 1993

APPLICATION OF
DELMARVA POWER AND LIGHT COMPANY

For an expedited increase in rates

ORDER GRANTING MOTION FOR MODIFICATION OF REFUND PROCEDURES

On April 7, 1993, the Commission entered a Final Order in this proceeding. In that Order, the Commission directed Delmarva Power and Light Company ("Delmarva" or "Company") to make certain customer refunds with interest calculated in accordance with the directives in ordering paragraphs (8) and (9) thereof. Those directives referenced calculation of quarterly interest and compounding of such interest on a quarterly basis. That Order also directed Company to complete its customer refunds on or before June 1, 1993, and to file a report detailing the accomplishment of such refunds with the Commission's Staff on or before July 1, 1993.

On April 29, 1993, Delmarva, by its counsel, filed a "Motion for Modification of Refund Procedure." In its motion, Company requested the Commission to allow Delmarva to modify the procedure for calculating interest on customer refunds and to extend the time period for filing its report detailing the accomplishment of those refunds. Company specifically requested that it be allowed to calculate interest on the refunds using a simple annual interest of 6.50% and that it be permitted to file its report on or before August 1, 1993.

In support of its motion, Company stated that its records were kept on a monthly basis and that application of quarterly interest rates and quarterly compounding of those rates would be unduly burdensome and expensive. Company noted that its proposed interest calculation would exceed the interest calculation prescribed by the Commission in ordering paragraphs (8) and (9).

In further support of its motion, Company stated that it would need additional time to compile the refund information for its report. Company noted that while all of the refunds would be posted to customer accounts prior to the June 1, 1993 deadline, information regarding those refunds would not be reflected until customers' June billing.

NOW THE COMMISSION, having considered the matter, is of the opinion and finds that Delmarva's request is reasonable and should be granted. Accordingly,

IT IS ORDERED:

(1) That Delmarva's Motion to Modify the Refund Procedure be, and hereby is, granted;

(2) That Company shall calculate the interest on customer refunds using a simple annual interest rate of 6.50%;

(3) That the date for filing proof with the Commission Staff that its refunds with interest have been lawfully made shall be on or before August 1, 1993.

(4) That Company shall otherwise comply with the refund requirements and proof of refund as directed in the Commission's April 7, 1993 Order; and

(5) That there being nothing further to be done, this matter shall be dismissed from the Commission's docket of active cases.

CASE NO. PUE920042
MARCH 3, 1993

APPLICATION OF
VIRGINIA-AMERICAN WATER COMPANY

For a general increase in rates

FINAL ORDER

On June 2, 1992, Virginia-American Water Company ("Virginia-American" or "Company") filed an application for a general increase in rates designed to produce additional gross annual operating revenues of $1,406,133. In its application, Company requested that its proposed rates become effective on or after November 2, 1992, subject to refund after full investigation and hearing.

Subsequently, the Commission entered a Preliminary Order docketing the matter and suspending Company's proposed rates for 150 days from the date of the filing of the application. By order dated July 29, 1992, the Commission directed Company to provide public notice of its application, set the matter for hearing on November 4, 1992, and established a procedural schedule for the filing of testimony and exhibits.

At the appointed time, the matter came to be heard before Hearing Examiner Howard P. Anderson, Jr. Counsel appearing at the hearing were: Richard D. Gary, Esquire, for the Company; Edward L. Flippen, Esquire and Donald G. Owens, Esquire, for the city of Hopewell ("Hopewell"); James C. Dimitri, Esquire, for the Hopewell Committee for Fair Water Rates ("Committee"); and Marta B. Curtis, Esquire and William H. Chambliss, Esquire, for the Commission Staff.

There were no interveners and no public witnesses appearing at the proceeding. A letter from John D. Jenkins, Prince William County Neabsco District Supervisor, was passed to the file.

At the beginning of the hearing, the Commission Staff and the parties to the proceeding tendered a written Joint Recommendation ("the Recommendation") designed to resolve all issues in the case. Pursuant to the terms of the Recommendation, the application and all prefiled testimony and exhibits were received into the record without cross-examination. In the Recommendation, the parties agreed to accept the revenue requirement proposed by the Commission Staff, with certain additions and modifications discussed below.

At the hearing, Company counsel stated its intent to place into effect rates that reflect a revenue increase less than that proposed in Company's application. By letter dated November 4, 1992, as modified by letter dated November 9, 1992, Company, by counsel, notified the Commission that, consistent with Virginia Code § 56-238, Company had put into effect on November 4, 1992, new rates consistent with the Recommendation put into the record as Company Exhibit 1.

With its letters, Company enclosed revised tariffs designed to implement these rates together with Company's bond. By ruling dated November 13, 1992, the Examiner accepted the bond and directed that it be filed in the Office of the Clerk of the Commission.

On December 14, 1992, the Hearing Examiner issued his Report. In his Report, the Examiner discussed the adjustments in the Recommendation.

The Examiner agreed with the Committee's proposal to modify Company's treatment of waste disposal expenses since it utilized the most recent actual figures and eliminated the 1.28% inflation factor proposed by Company. The Committee's proposal, as included in the Recommendation, used Company's actual expenses for the last four months of 1991 and for the first eight months of 1992.

The Examiner noted that Staff and the parties agreed to a revenue adjustment to reflect the reduction in test year revenues resulting from the Commission's Order on Reconsideration in Company's last rate case (Case No. PUE910028). Pursuant to the Commission's October 19, 1992 Order on Reconsideration, Company was required, in Case No. PUE910028, to reduce its rates on an annual basis by $70,904 with regard to the first year's amortization of repairs associated with the Hopewell filter building and with regard to Company's pension plan expenses. The Examiner noted that the proposed adjustment of $72,987 in this case is slightly higher than the rate reduction referenced in the Commission's Order on Reconsideration due to a change in Company's billing determinants.

The Examiner agreed with Staff and parties' proposal to amortize tank repainting costs over a ten-year period with no rate base treatment of the unamortized balance of these costs. The Examiner stated that this proposal was consistent with the treatment established by the Commission in Company's 1987 rate case (Case No. PUE870101). The Examiner noted that Company has agreed not to seek rate base treatment of the unamortized balance of these costs in future rate cases.

The Examiner stated that the proposed adjustment to the allocation of federal income tax depreciation reflects the assignment of actual tax depreciation amounts by district rather than Company's methodology of allocating total Company tax depreciation based on each district's percentage of total utility plant. The Examiner stated that Company has agreed to develop, in 1993, appropriate accounting records to determine actual tax deferrals by district. The Examiner noted that such records would enable the direct assignment of the entire liberalized depreciation accrual, including prior year flowback of previous deferral setups. The Examiner referenced the parties' agreement to accept, for this proceeding, the allocation of tax deferrals as set forth in Staff testimony.

The Examiner noted that the revenue requirement and return on equity proposed in the Recommendation allocates the annual revenue charges by district. The Examiner concluded, after reviewing the evidence, that Staff's methodology for calculating return on equity was appropriate in this proceeding. The Examiner also noted the proposed allocation of the revenue requirement between Hopewell District industrial, domestic and other customers should be adopted.

The Examiner also discussed the parties' agreement that issues relating to Financial Accounting Standards No. 106, Employers' Accounting for Postretirement Benefits other than Pensions ("OPEB"), were not addressed in this proceeding but should be included in Company's next rate case. At that time, treatment of OPEB would be based on the Commission's Order in Commonwealth of Virginia, ex rel., State Corporation Commission, Ex Parte, In re: Consideration of a rule governing Accounting for Postretirement Benefits other than Pensions, Case No. PUE920003.

The Examiner found the Recommendation presented by Staff and the parties to be just and reasonable and recommended that it be adopted by the Commission. In addition, the Examiner specifically found that:

(1) The 12 months ending December 31, 1991, is an appropriate test period in this case;

(2) The Company's test year operating revenues, after all adjustments, were $24,932,722;

(3) The Company's test year operating deductions, after all adjustments, were $19,266,840;

(4) The Company's test year net operating income and adjusted net operating income were $5,665,882 and $5,657,713, respectively;

(5) The Company's current rates produced a return on adjusted end of test period rate base of 9.65% and a return on equity of 9.77% during the test year;

(6) The Company's current cost of equity is 11.00% to 12.00%, and the midpoint of the range, or 11.50%, should be used to calculate the Company's overall cost of capital and revenue deficiency;

(7) The Company's overall cost of capital, based on the December 31, 1991 capital structure of Virginia-American, and a 11.50% cost of equity, is 10.254%;

(8) The Company's adjusted end of test period rate base is $58,616,505;

(9) The Company should be required to write-off to retained earnings the deferred balance of pension costs associated with the implementation of Financial Accounting Standards No. 87;

(10) The Company requires additional gross annual revenues of $550,719 to earn a reasonable rate of return on rate base;

(11) The $550,719 rate increase should be allocated as follows: Alexandria - $(120,745); Hopewell - $480,262; Prince William - $191,202. The allocation of the revenue increase to the Hopewell District should be $247,452 for industrial customers and $232,810 for domestic and other customers; and

(12) The Company should be required to promptly refund, with interest, all revenues collected under its interim rates in excess of the amount found just and reasonable herein.

The Examiner recommended that the Commission enter an order that adopts the findings in his Report, grants Company an increase in gross annual revenues of $550,719 and directs the prompt refund of amounts collected under interim rates in excess of the increase found reasonable therein. The Examiner also recommended that the Commission dismiss this case from its docket of active cases. There were no comments or exceptions to the Examiner's Report.

NOW THE COMMISSION, having considered the record, the Joint Recommendation of Staff and the parties and the Examiner's Report, is of the opinion and finds that the findings and recommendations of the Hearing Examiner are reasonable and should be adopted as modified herein. The Commission notes that the Examiner's recommendation, relative to customer refunds, is moot since Company did not implement an increase in rates in excess of the amount found reasonable by the Examiner.

The Commission is of the further opinion that Staff's rate design recommendation relative to service charges and service connection fees should be adopted. In testimony filed October 8, 1992, Staff witness Frassetta recommended that Company continue to examine service charges for the Prince William and Alexandria Districts with the goal of moving gradually towards cost-based charges. Ms. Frassetta also recommended that Company, in future rate cases, revise its service connection fees to reflect cost-based connection fees. Accordingly,

IT IS ORDERED:

(1) That the findings and recommendations of the Hearing Examiner, as modified herein, are hereby adopted;

(2) That the rate design recommendations of Staff witness Frassetta referenced herein are hereby adopted;

(3) That consistent with our findings and the terms of the Joint Recommendation, Virginia-American's revised tariffs designed to produce $550,719 in additional gross annual revenues allocated as follows: Alexandria - $(120,745); Hopewell - $480,262 ($247,452 assigned to industrial customers and $232,810 to domestic and other customers); and Prince William - $191,202 shall be made permanent;

(4) That consistent with the statement of Financial Accounting Standards No. 87, Company shall forthwith record the deferred balance of its pension costs as write-off to retained earnings; and

(5) That there being nothing further to be done, this matter is hereby dismissed from the Commission's docket of active cases and the papers placed in the file for ended causes.

CASE NO. PUE920046
FEBRUARY 17, 1993

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

To amend its Certificate of Public Convenience and Necessity authorizing operation of transmission lines and facilities in Louisa County: Gordonsville - North Anna 230 kV Transmission Line - Gordonsville Energy, L.P. 230 kV Tap Lines and Interconnect Substation

ORDER GRANTING AMENDED CERTIFICATE

Before the Commission is Virginia Electric and Power Company's ("Virginia Power" or "Company") application to amend its certificate of public convenience and necessity for the County of Louisa to authorize the construction and operation of two parallel 230 kV tap lines and an interconnect substation. The proposed tap lines would connect the Company's existing Gordonsville - North Anna 230 kV Transmission Line to qualifying cogeneration facilities operated by Gordonsville Energy L.P. Unit I and Gordonsville Energy L.P. Unit II, near the Town of Gordonsville, Orange County. By Orders of October 23 and November 5, 1992, the Commission docketed this application pursuant to Title 56 of the Virginia Code and directed Virginia Power to give notice. We also directed our Staff to file a report on this application and established procedures for requesting a hearing and receiving comments.

On November 13 and December 22, 1992, Virginia Power filed affidavits of service of copies of our order on state and local officials and proof of newspaper publication of the corrected public notice. Accordingly, we find that appropriate notice of this application was given as required by Sections 56-46.1 and 56-265.2 of the Virginia Code.

In response to the public notice, the Commission received one comment. The Honorable Richard Blount, Jr., Mayor of the Town of Gordonsville, wrote expressing support for Virginia Power's application. No comments in opposition to the application were received and no interested person requested a public hearing on the application. On January 8, 1993, the Commission Staff filed a report on this application. After reviewing the application, the Staff concluded that the proposed facilities were required and that these facilities are the best technical and economical option. The Staff recommended that the construction and operation of the proposed 230 kV tap lines be approved.

Upon review of the application, the comment received, and the Staff Report, it appears to the Commission that there are no material issues of fact. Accordingly, we find that the Commission may consider and act upon this application without formal or informal hearing or further proceedings.

According to the application, the proposed tap lines would serve qualifying cogeneration facilities which have contracted to provide power to Virginia Power. The Commission takes notice that the Federal Energy Regulatory Commission has granted certification as qualifying cogeneration facilities Gordonsville Energy L.P. - II 60 F.E.R.C. ¶ 62,136 (1992); Gordonsville Energy L.P. - Unit I 60 F.E.R.C. ¶ 62,137 (1992). As explained in the application and the orders of the Federal Energy Regulatory Commission, the qualifying facilities will provide steam to Liberty Fabrics' plant in Gordonsville for use in industrial processes.

According to Virginia Power's application, the tap lines will require new right-of-way cleared to a width of approximately 150 feet and extending approximately 0.74 mile. There are no existing rights of way available for use in this project. The alternative of connecting the qualifying facilities to the existing Gordonsville Substation would, according to Virginia Power, require approximately twice as much new right-of-way. Virginia Power has stated in its application that it will observe appropriate guidelines for the construction, operation, and maintenance of the proposed tap lines so that adverse impact on the environment will be reduced as far as possible. The Company also states, that in its experience and based on available information, the proposed transmission line does not pose a hazard to human health.

After considering the application and the Staff Report, the Commission finds that the proposed transmission line will serve the public convenience and necessity by interconnecting qualifying cogeneration facilities to the Virginia Power system. It also appears that there is no existing right-of-way which could be utilized for this project, and that Virginia Power has taken all reasonable steps to reduce adverse impact on the scenic assets and the environment of the affected area. Therefore, the Commission finds that the application should be granted and the appropriate amended certificate of public convenience and necessity should be issued to Virginia Power.

As shown on the maps attached to the application, the Commission has previously entered orders and issued certificates authorizing Virginia Power and Old Dominion Electric Cooperative to operate jointly certain facilities in Louisa County. While none of these jointly operated facilities are affected by this application, we find that an appropriate amended certificate showing these new facilities should also be issued to Old Dominion Electric Cooperative.

ACCORDINGLY,

(1) That, pursuant to Sections 56-46.1 and 56-265.2 of the Virginia Code, this application be granted;

(2) That Virginia Power be authorized to construct and operate two parallel 230 kV tap lines from its Gordonsville - North Ann 230 kV Transmission Line to qualifying cogeneration facilities operated by Gordonsville Energy L.P. Unit I and Gordonsville Energy L.P. Unit II and that Virginia Power be authorized to construct and operate an interconnect substation;

(3) That the amended certificates of public convenience and necessity be issued as follows:

> Certificate No. ET-117k, for Louisa County, authorizing the Virginia Electric and Power Company and the Old Dominion Electric Cooperative to operate the North Anna Nuclear Generating Station and associated facilities; and authorizing Virginia Electric and Power Company to operate previously

certificated transmission lines and hydroelectric generating facilities, and to construct and operate the two proposed parallel 230 kV tap lines and interconnect substation to connect the Company's existing Gordonsville - North Anna 230 kV Transmission Line to the Gordonsville Energy, L.P. Cogeneration facilities, all as shown on the map attached thereto; such Certificate No. ET-117k will supersede Certificate No. ET-117j issued on June 5, 1986.

(4) This case be dismissed and the docket of active proceedings and the papers herein be placed in the file for ended cases.

CASE NO. PUE920047
JUNE 10, 1993

APPLICATION OF
MECKLENBURG ELECTRIC COOPERATIVE

For a general increase in rates

FINAL ORDER

On June 26, 1992, Mecklenburg Electric Cooperative ("Mecklenburg" or "the Cooperative") filed an application for general rate relief with the State Corporation Commission ("Commission"). On July 10, 1992, Mecklenburg filed several revised schedules and supporting testimony in the captioned matter. In its application, as revised, the Cooperative requested an increase of $2,266,125, consisting of an increase to base rate revenues of $1,677,444 together with an increase in miscellaneous fees and charges of $77,548, and an additional $511,133 in interim increases already being paid by Mecklenburg's customers as a result of adjustments to various wholesale power riders. The Cooperative seeks to have these interim increases made permanent. Mecklenburg also proposed a number of changes to its terms and conditions of service. It filed financial and operating data for the 12 months ending December 31, 1991, in support of its application.

On August 7, 1992, the Commission issued an Order suspending the Cooperative's proposed tariff revisions through December 7, 1992. In the same Order, the Commission directed the Cooperative to give the public notice of its application, ordered that a public hearing be convened on November 16, 1992, before a hearing examiner and established a procedural schedule for Mecklenburg, Staff, interveners, and Protestants.

By Ruling of November 13, 1992, the Hearing Examiner directed that the November 16 hearing be held for the purpose of receiving testimony from public witnesses. He further determined that a new hearing date would be set at the November hearing.

On the appointed day, the matter came before Russell W. Cunningham, Senior Hearing Examiner. Counsel appearing were E. Warren Matthews, Esquire, counsel for the Cooperative and William H. Chambliss, Esquire, counsel for the Commission. No public witnesses appeared. By agreement of counsel, the matter was continued until December 15, 1992.

During the December 15 hearing, the Cooperative accepted the Staff's proposed accounting adjustments with the exception of the Staff's use of a "Cash TIER." A cash TIER employs an interest coverage calculation which excludes both noncash capital credits and portions of noncash depreciation expense represented by long-term debt from the interest coverage calculation. In contrast to the Staff, Mecklenburg supported margins computed on the basis of a 2.5 modified TIER determine as set forth in Application of Southside Electric Cooperative, Case No. PUE860006, 1986 S.C.C. Ann. Rept. 310. The Cooperative's acceptance of the Staff's accounting adjustments including updates of revenues and certain Cooperative operating expenses, reduced the Cooperative's additional revenue request from $1,754,992 to $1,642,794. The Staff did not adjust operating and maintenance expenses for the nonlabor portion of operation, maintenance, and customer account expenses. The Cooperative submitted a revised rate of return (Exhibit No. TAB-12) in support of its revised revenue request.

During the hearing, the Cooperative also accepted Staff witness Henderson's rate design and revenue apportionment recommendations. Staff and the Cooperative agreed that the appropriate minimum level for security deposits paid in multiple installments was $75. In addition, Staff accepted the revision to the Cooperative's Terms and Conditions of Service, Section 205 - Power Factor Correction, offered by the Cooperative at page 5 of Rebuttal Exhibit MJB-9.

At the conclusion of the proceeding, the Hearing Examiner invited the Cooperative and the Staff to file memoranda addressing the effects of the Staff's "Cash TIER" versus the modified TIER as described in the Southside Electric Cooperative case.

On December 21, 1992, the Cooperative filed its memorandum supporting an increase in total gross annual revenues, including fees and charges of $1,642,794 and an increase in the roll-in of riders of $518,424. Staff filed its memorandum supporting an increase in revenues of no more than $641,183.

On May 14, 1993, the Hearing Examiner filed his Final Report, wherein he recommended that the Commission grant the Cooperative an increase in additional annual revenues of $1,642,800.

On May 27, 1993, the Cooperative filed comments supporting the Hearing Examiner's recommendations. In addition, it requested approval of the rates, fees and charges agreed to by the Cooperative during the proceeding, and requested that Riders RS-10 through RS-15 and Rider S-15 be rolled-in to base rates.

NOW THE COMMISSION upon consideration of the record, the Hearing Examiner's Report, the Comments thereto, and the applicable statutes, is of the opinion and finds that the increase in total operating revenue of $1,642,800 recommended by the Hearing Examiner is appropriate and should be adopted. As we observed in Application of Rappahannock Electric Cooperative, For a general increase in Electric Rates, Case No. PUE920038, Final Order (June 8, 1993), the primary issue in a general rate case is not whether a particular TIER method is used or

considered, but rather whether Mecklenburg's revenues are sufficient under Va. Code § 56-226. Various forms of TIER are financial indicators that lenders, financial analysts and we use in examining a particular cooperative. In addition, among other factors, we consider various financial ratios as well as growth, the need for new construction, and expense levels. All of these factors and data are useful, and no one factor holds the answer. In this case, we have considered all of the evidence, factors, and arguments presented. In considering TIER in this proceeding, we rely primarily on actual TIER and Modified TIER as outlined in Application of Southside Electric Cooperative, supra. An increase in revenues of $1,642,800 will provide sufficient margins to assure Mecklenburg's financial health and to meet the requirements for just and reasonable rates under Va. Code § 56-226.

In this regard, we further find:

(1) That the use of a test year ending December 31, 1991, is proper in this proceeding;

(2) That the Cooperative's adjusted total operating revenues for the test period were $24,774,751;

(3) That the Cooperative's total operating expenses for the test period were $22,359,063;

(4) That the Cooperative's operating margins adjusted for the test period were $2,394,936;

(5) That the Cooperative's rate base, after adjustments, for the test period was $42,657,015;

(6) That, based on adjusted test year operations, the Cooperative's revised recommended revenue increase would provide for an actual TIER of 3.03, modified TIER of 2.50, a Staff "Cash TIER" of 2.81, and a return on rate base of 9.09%;

(7) That for purposes of preparing its next rate application, the Cooperative should employ the Staff's booking recommendations and accounting adjustments;

(8) That the recommendations concerning rate design, allocation of revenue, cost of service study results and proposed changes in rate design and Terms and Conditions of Service found in Staff witness Henderson's prefiled direct testimony (Exhibit RMH-7) are reasonable and should be adopted, effective as of July 1, 1993;

(9) That security deposits of $75 or more may be paid in installments;

(10) That Section 205 of the Cooperative's Terms and Conditions of Service should be revised as proposed on p. 5 of Rebuttal Exhibit MJB-9;

(11) That the rate increase approved herein should be apportioned as follows:

Rate Schedule	Revenue Increase
Home and Farm Service	$1,479,156
Small Power General Service	45,109
Large Power General Service	0
LP TOD & Interruptible Service	10,121
Outdoor Lighting Service	0
Schools	30,861

and;

(12) That Riders RS-10 through RS-15 and Rider S-15 should be rolled into base rates.

Accordingly, IT IS ORDERED:

(1) That the Cooperative's application for a general rate increase and for revision of its terms and conditions of service is hereby granted, in part, to the extent found reasonable above;

(2) That, forthwith upon receipt of this Order, Mecklenburg shall prepare and file permanent tariffs containing rates, charges, and Terms and Conditions for Supplying Electric Service which reflect the findings made above, effective for service rendered on and after July 1, 1993;

(3) That consistent with Staff's recommendations, Mecklenburg shall forthwith begin to implement the booking recommendations found in Staff witness Sinks' prefiled direct testimony;

(4) That, consistent with the recommendations found in Exhibit RMH-7, the Cooperative shall identify all of its nonjurisdictional customers and, where practical, collect and maintain separate expense, rate base and revenue data on these customers; and

(5) That there being nothing further to be done herein, this matter is hereby dismissed.

CASE NO. PUE920050
MAY 3, 1993

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For approval of the Heat Pump Customer Assistance Program as a Pilot Program

ORDER APPROVING REOPENING OF PROGRAM

On September 10, 1992, the State Corporation Commission ("Commission") entered an Order Granting Approval of Virginia Electric and Power Company's ("Virginia Power" or "Company") pilot Heat Pump Customer Assistance Plan ("Pilot Program"). The Pilot Program was designed to permit Virginia Power to offer to up to 10,000 residential customers one-half the cost, to a maximum of $25, of inspection of their heat pump systems by qualified contractors. Following this inspection, where necessary to encourage its customers to invest in repairs of defective systems, the Company proposed to offer an allowance payment equal to half the cost of corrective work, up to a limit of $500 per repair. As ordered, the Pilot Program was to run from September 10, 1992, through December 31, 1992. The Company was further ordered to supply post-program reports and analyses.

On April 22, 1993, Virginia Power filed a motion requesting the Commission approve the re-opening of the Pilot Program for the period May 1, 1993, through August 31, 1993. In its motion, the Company states that although during the earlier period 10,000 of its customers had requested heat pump inspection and analysis, only 5,382 of these customers actually had the analysis performed. Of the $250,000 approved for heat pump inspection expenses, only $132,828.93 was actually expended. An additional $193,147.18 of the approved $530,000 heat pump repair budget also remains to be expended.

The Company has requested approval of the re-opening of the Pilot Program for the purpose of offering the additional 4,618 allowances which were claimed but not used during the initial period of the program. Further, the Company desires to utilize the remaining funds from the repair budget to supplement corrective repair work deemed necessary by the system inspection.

In support whereof, the Company reasons that the short period of time initially allowed for its customers to take action, coming as it did during the holiday season, may have caused the significant attrition rate the program experienced. Virginia Power is concerned that this attrition has prevented it from collecting necessary amounts of data for evaluation of the Pilot Program. Further, the Company asserts, re-opening the Pilot Program during the May-August period would also allow the Company to determine whether customers have the same or greater (or, presumably, lesser) interest in this type of program during the summer months when the heat pump is used for air conditioning. Such information would be useful to the Company in determining whether the program should be continued, and if so, on a permanent or seasonal basis.

NOW THE COMMISSION, having considered the matter, finds that it is appropriate to allow Virginia Power to re-open its Heat Pump Customer Assistance Plan, as requested, for the period May 1 through August 31, 1993, for the purpose of completing the program in accordance with the limitations and modifications approved by the Commission in its Order of September 10, 1992. Accordingly,

IT IS ORDERED:

(1) That Virginia Power's Pilot Program is hereby approved for the period May 1, 1993, through August 31, 1993;

(2) That Virginia Power shall file reports of its Pilot Program with the Commission's Division of Economics and Finance according to the timetable contained in the Order Granting Approval, entered September 10, 1992; and

(3) That this matter be continued generally until further order of the Commission.

CASE NO. PUE920051
MARCH 4, 1993

APPLICATION OF
BARC ELECTRIC COOPERATIVE

For an expedited increase in rates

FINAL ORDER

On July 10, 1992, BARC Electric Cooperative ("BARC"), filed its application for an expedited increase in electric rates designed to produce additional annual revenues of $340,450. Pursuant to the Commission's Rules for Rate Increases for Electric Cooperatives ("Co-op Rules"), the proposed rates were implemented on an interim basis on July 13, 1992.

On December 29, 1992, the Commission Staff filed its report recommending that BARC's rate increase be limited to no more than $55,178. Later, on January 11, 1993, Staff filed a correction to its report modifying its recommended revenue increase to $134,087, due to discovery of a computational error. The final Staff revenue requirement was calculated to limit BARC to the amount of additional revenue necessary to allow the cooperative to earn a 2.5 Times Interest Earned Ratio ("TIER"). By contrast, BARC's proposed revenue requirement would allow it to earn a 2.25 Modified Times Interest Earned Ratio ("MTIER").

In addition to the more modest revenue increase, Staff's report made recommendations concerning tariff language and cost of service studies. Staff proposed a modification to language in BARC's 12-month minimum term of service requirement for its Large Power Schedule, proposed that in all future cases the cooperative separate costs, revenues and rate base items relating to its Yard Lighting service from its residential, small commercial and large power schedules, and proposed that in future general rate cases BARC file a cost of service study separating its jurisdictional and nonjurisdictional customers.

On January 8, 1993, BARC filed its exceptions to the Staff report. BARC excepted from the Staff determination that its revenue requirement should be limited to that amount designed to permit a 2.5 TIER. BARC did not except to any of the Staff recommendations regarding tariff language and the cost of service study. On January 13, 1993, BARC filed its petition, pursuant to Rule 6 of the Co-op Rules, to make its interim rates permanent. Staff filed a response opposing BARC's position, based on its interpretation of the Co-op Rules' limitation on revenues permissible in expedited cases.

Staff argued that the Co-op Rules limit the amount of revenue relief which can be granted in an expedited case to that which produces no more than a 2.5 TIER and that BARC's application produced a TIER of 2.83. Staff opined that the appropriate definition of TIER included patronage capital and margins.

In our view, Staff's reading of the Co-op Rules is too narrow. Beginning with Application of Southside Electric Cooperative, Case No. PUE860006, 1986 S.C.C. Ann. Rep. 301 (1986), the Commission has defined TIER to exclude noncash patronage credits and has customarily regarded the MTIER and TIER calculations as interchangeable. For example, in BARC's last expedited rate application, Case No. PUE880054, we found:

> That tariffs designed to increase gross annual revenues by $569,920 are just and reasonable and will afford BARC the opportunity to earn a rate of return of 10.97% on its rate base and will afford the Cooperative an opportunity to achieve a modified TIER of 2.37. A TIER of 2.37 is below the 2.5 TIER authorized by our rules governing expedited rate relief for electric cooperatives.

NOW THE COMMISSION, having considered the application and supporting documentation, the Staff report, the pleadings herein and the applicable rules and statutes, finds that BARC's Petition to Make Expedited Rate Increase Permanent should be, granted. The interim rates charged by the cooperative since July 13, 1992 should be approved. Further the Commission finds that the tariff language and cost of service study recommendations contained in the testimony of Staff witness Rosemary Henderson are reasonable and should be adopted. These recommendations include the adoption of primary discounts and load curtailment credits for the Large Power Schedule customers; the requirement that in its next general rate case, BARC shall file a cost of service study separating jurisdictional from non-jurisdictional customers and segregating costs, revenues and rate base items relating to its Yard Lighting service; and the elimination of confusing language regarding minimum term of service in the Large Power Schedule. The following language should be substituted:

> 5. Minimum Monthly Charge
>
> The minimum monthly charge for any month in which service is provided will be determined as stated in the contract or as specified in paragraph 4.
>
> The minimum monthly charge billed when a consumer requests disconnection of service before the term of contract expires or in less than twelve months, will be calculated as follows:
>
> > 38 cents/kW applied to the highest billing demand of the previous term of connection plus the monthly facilities charge.

Accordingly, IT IS ORDERED:

(1) That consistent with the findings herein, the tariffs proposed by BARC, which became effective on an interim basis for service rendered on and after July 13, 1992, and which are designed to produce additional gross annual revenues of $340,450, shall be made permanent;

(2) That the above amendments to the Large Power Schedule are approved;

(3) That in its next general rate case BARC shall file a cost of service study as directed herein; and

(4) That there being nothing further to be done, the case is dismissed, and the papers transferred to the file for ended causes.

MOORE, Commissioner, Dissenting

Because of the use of a modified TIER, the interim rates filed by BARC do not comply with the limitations on electric cooperatives' requests for expedited rate increases imposed by the Rules for Rate Increases for Electric Cooperatives (Co-op Rules). Accordingly, for the reasons stated in the Staff Response to Petition to Make Rates Permanent filed January 14, 1993, I would deny the Cooperative's petition to make the interim rates permanent.[1]

The majority states that "Staff's reading of the Co-op Rules is too narrow" and then concludes that the Commission "has defined TIER to exclude noncash patronage credits and has customarily regarded the MTIER and TIER calculations as interchangeable." In 1985 in adopting amendments to the Co-op Rules, the Commission made explicitly clear in the Co-op Rules that TIER would not exclude non-cash margins.[2] The Staff has read the Co-op Rules as they were written.

That the Commission has used modified TIER and TIER in expedited cases "interchangeably" cannot be a valid reason for violating the Co-op Rules in this case where the distinction has been raised. The majority's refusal to enforce the Co-op Rules is directly contrary to Virginia Committee for Fair Utility Rates v. Virginia Electric and Power Company, et al., 243 Va. 320 (1992), and the Final Order in Case No. PUE910047.

In several of Virginia Power's expedited rate cases prior to the Supreme Court's decision in the Virginia Committee case, the Company was allowed to include rate year capacity charges even though the Rate Case Rules only allowed such charges through the pro forma period. Virginia Power's 1991 expedited rate case[3] included rate year capacity charges and the Commission determined that such rate year treatment was consistent with its decisions since 1986. The Commission had to conclude, however, when the issue was raised, "that rate year capacity is not legally permissible under the Rate Case Rules in an expedited proceeding such as this one."[4] The situation here is identical; the Co-op Rules should be enforced and the modified TIER is "not legally permissible."

If the Co-op Rules need to be amended to exclude non-cash margins from the determination of TIER, that should be accomplished as provided by law. Until the Co-op Rules are changed, however, they must be applied.

[1]Specifically, Co-op Rules 1 and 3 are explicit with respect to TIER and Co-op Rule 10 requires that any part of a proposed increase which violates any provision of the rules "shall be refunded."

[2]Ex Parte: In the matter of amending rules for expedited rate increases for electric cooperatives and requiring cooperatives to file certain schedules for general rate cases, 1985 SCC Ann. Rep. 430, 431.

[3]Application of Virginia Electric and Power Company for an expedited increase in rates, Case No. PUE910047.

[4]Application of Virginia Electric and Power Company for an expedited increase in rates, Case No. PUE910047, Final Order at 8 (December 29, 1992).

CASE NO. PUE920053
APRIL 15, 1993

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

ORDER OF SETTLEMENT

The Natural Gas Pipeline Safety Act, 49 USC § 1671 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 Virginia Code § 56-5.1, which allows the Commission to fine such sums not to exceed the fines and penalties specified by § 11(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 Commonwealth Gas Services, Inc. ("CGS" or "Company"), the Defendant, and alleges:

(1) That CGS is a public service corporation as that term is defined in Virginia Code § 56-1, and, specifically a natural gas company within the meaning of Virginia Code § 56-5.1; and

(2) That between January 1, 1992, and December 2, 1992, CGS violated various subparts of 49 C.F.R. § 192 and § 193 by the following conduct:

(a) Failing on certain occasions to take remedial action when corrosion and/or graphitization was noted on exposed piping;

(b) Failing to test odorant levels at various propane systems;

(c) Failing on certain occasions to test cathodic protection at the required interval;

(d) Failing on certain occasions to inspect regulator stations in accordance with the Safety Standards;

(e) Failing to have gas monitors set in the control room of the LNG facility in accordance with the Safety Standards; and

(f) Failing to continuously monitor the control room of the LNG facility for the presence of flammable fluids and flames.

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, CGS 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) 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 Commission's Division of Public Utility Accounting; and

(3) Contemporaneously with the entry of this order, CGS will tender to the Commission a letter from the president of CGS certifying that the Company:

(a) will take remedial action in accordance with the Safety Standards when corrosion and/or graphitization is noted on exposed piping;

(b) will strive to maintain adequate levels of odorant throughout the system in accordance with the Safety Standards;

(c) will ensure that all cathodic protection readings will be taken in accordance with the Safety Standards;

(d) will inspect all regulator stations in accordance with the Safety Standards;

(e) will set gas monitors in the control room of the LNG facility in accordance with the Safety Standards; and

(f) will continuously monitor the control room of the LNG facility for the presence of flame or flammable fluids.

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 CGS 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 Virginia Code § 12.1-15, the offer of compromise and settlement made by CGS be, and it hereby is, accepted;

(2) That pursuant to Virginia Code § 56-5.1, CGS 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 the letter tendered by the president of CGS certifying completion of the remedial action outlined herein is accepted; and

(5) That this case is dismissed and the papers herein be placed in the file for ended causes.

CASE NO. PUE920055
APRIL 20, 1993

APPLICATION OF
VIRGINIA WATER & SEWER COMPANY

For a certificate of public convenience and necessity

FINAL ORDER

On July 30, 1992, Virginia Water & Sewer Company ("Company") filed an application for certificates of public convenience and necessity. In its application, Company requested authority to provide water and sewerage service to approximately 133 customers in the Pilot House Apartments ("the Apartments") in Newport News, Virginia.

In its application, Company also requested approval of the following tariff:

> Metered Rates: The rate for water usage is $1.50 per hundred cubic feet. In addition, there is a monthly service charge of $5.75 for water and sewerage service and no bill will be rendered for less than $5.75.

This tariff also includes a customer deposit not to exceed customer's estimated liability for two months' usage, a $6.00 bad check charge and a 1 1/2% late payment fee.

On October 2, 1992, the Commission issued an Order Inviting Written Comments and Requests for Hearing. In that Order, the Commission directed any person wishing to file written comments or requests for hearing to file such comments and requests on or before November 24, 1992. No such comments or requests were filed.

That Order also directed Staff to file a report detailing the results of its investigation on or before December 2, 1992. By order dated December 1, 1992, the Commission extended the date for filing Staff's report to December 18, 1992.

On December 18, 1992, Staff filed its report. In its report, Staff noted that Company proposed to provide water and sewerage service for individual units in the Apartments. Staff also noted that Company received its water supply and its point of discharge for sewerage disposal from the City of Newport News through master metered systems.

In its report, Staff recommended that Company be granted certificates of public convenience and necessity to provide water and sewerage service. Staff also recommended that the proposed rates for water and sewerage service be approved on an interim basis since there was insufficient accounting data to make a conclusive determination on the reasonableness of Company's rates. Staff further recommended that the case be continued to allow sufficient time for Company to collect a year's worth of accounting data and for Staff to review that data with specific reference to a test period ending September 30, 1993. In its report, Staff also noted that Company's rates were consistent with those being charged by the City of Newport News.

Additionally, Staff recommended that Company make certain booking adjustments. These booking adjustments relate to the establishment of separate accounts for customer deposits, postage expense and certain miscellaneous charges. Staff stated that the interest rate for investor-owned utilities for 1992 (4.7%) should be applied to customer deposits.

NOW THE COMMISSION, having considered the application and Staff's report, is of the opinion and finds that Company should be granted certificates of public convenience and necessity to provide its customers with water and sewerage service. The Commission is also of the opinion that Company's proposed rates should be approved on an interim basis and that the proceeding should be continued to allow Company sufficient time to collect the data and to make the booking adjustments referenced herein. Accordingly,

IT IS ORDERED:

(1) That Company shall be granted Certificate No. W-271 and Certificate No. S-79;

(2) That Company's rates for water and sewerage service are hereby declared interim pending further order of the Commission;

(3) That Company shall collect the accounting data and make the booking adjustments referenced herein;

(4) That, on or before December 31, 1993, Staff shall file a report detailing its findings and recommendations relative to a review of the data referenced in ordering paragraph (3) herein; and

(5) That this matter shall be continued pending further order of the Commission.

CASE NO. PUE920060
FEBRUARY 17, 1993

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For review of Schedule 19 1992/1993 charges and payments to cogenerators and small power producers

FINAL ORDER

On August 19, 1992, Virginia Electric and Power Company ("Virginia Power" or the "Company") filed an application and Motion for Stay of Schedule 19 1992/1993 pending a review of the charges and payments to certain cogenerators and small power producers. Schedule 19 sets out firm and nonfirm payments, based upon estimates of the Company's avoided costs, to qualifying facilities ("QFs") that contract to sell the Company 3000 kw or less of electric generating capacity. The payments set forth in the existing Schedule 19 were established by the Commission on January 24, 1992.

By order dated September 4, 1992, the Commission directed the Company to provide notice of its application and set this matter for hearing. The Commission also ordered the parties to file prehearing briefs specifying several questions the Commission deemed critical. In that same order the Commission specifically advised developers, including those which had contract offers pending with Virginia Power, that this proceeding might have an affect on the offering made available to them and invited them to submit evidence on the need for a change in Schedule 19, the nature of any such change and the timing of the effective date of any such change.

Virginia Power subsequently filed an amended application on September 25, 1992, by which it proposed to limit the applicability of Schedule 19 to projects with a design capacity of 100 kw or less. The Company also asked the Commission to establish March 31, 1993 as the next filing date for a new Schedule 19 by Virginia Power.

Prefiled testimony and prehearing briefs were submitted in accordance with the Commission's direction. The matter proceeded to hearing on October 29 and 30, 1992, before the Commission. On October 30, 1992 the Commission also issued a partial stay, limiting the availability of Schedule 19 to projects under 100 kw, until further order of the Commission.

At the hearing, Virginia Power witnesses testified about the operational assumptions the Company made to determine the appropriate level of capacity payments. The Company modeled a 200 MW block of capacity for calculating the "with" QF differential revenue requirement ("DRR"), assuming that new QF capacity would operate in a manner similar to that of existing QFs. Therefore, utilizing a 5-year historical average QF capacity factor, the Company assumed new Schedule 19 capacity would operate at a 100% capacity factor. In other words, it assumed full time operation of the QF capacity in determining the total revenue requirement.

However, the Company designed the payments to the QFs for operation during 80% of on-peak hours. Of the 8,760 hours in a year, 3,900 fall in designated peak periods, i.e., 7:00 a.m. to 10:00 p.m., Monday through Friday. Eighty percent of this 3,900 hour block is 3,120 hours, some 36% of the total hours in the year. The maximum annual capacity payment, calculated as if a project provided capacity for the entire 8,760

hours, would be paid to any QF which, in fact, provided capacity for as few as 3,120 hours, or 80% of the on-peak hours. Thus, the rate design is inconsistent with the underlying calculation of avoided capacity costs.

In short order, the Company began to receive what it described as a deluge of offers for projects designed to operate only during the on-peak hours. In response, on July 10, 1992, the Company unilaterally revised its standard contract to encourage a higher specified annual level of generation from each QF if it was to receive the maximum amount of capacity payments available under Schedule 19. Specifically, the Company revised its standard contract to establish a Refund Formula which would be applied to determine whether a portion of capacity payments made to a QF should be refunded based on the actual operation of the facility. In order to retain the maximum annual capacity payments under Schedule 19, a QF would be required to operate at an annual capacity factor of at least 80%. Any refund would be based on actual capacity payments made as compared to the actual capacity factor of the facility. Virginia Power represented that generally, if a QF equates its annual capacity factor and its annual on-peak capacity factor, no refund would be required. The Refund Formula would thus penalize QFs operating only during on-peak hours. Virginia Power, however, recognized that Schedule 19 did not require a minimum level of operation in a given year.

The Company now seeks Commission approval to modify Schedule 19 design to incorporate its Refund Formula and require a developer to operate at an 80% load factor, both on- and off-peak, to retain the full capacity payment.

Several developers participated as protestants in this case. JGB Industries, Inc. ("JGB") asserted that it had committed substantial resources to the construction of six (6) QF projects as a part of its business effort to expand and centralize its operations in the City of Richmond. JGB represented that on August 5, 1992, it executed and delivered to Virginia Power six copies of the Company's standard contract. That form of the standard contract had been previously signed by Virginia Power before it began including the Refund Formula. JGB witness Newton described the six (6) facilities JGB was planning. He explained that four (4) facilities were located on separate parcels of land, but that two additional facilities were considered for a site that had not yet been acquired by JGB. JGB asserted that Virginia Power had a legally enforceable obligation to purchase capacity and energy from JGB at the rates, terms and conditions in Schedule 19 at the time it made its offer. Moreover, JGB argued that any change to Schedule 19 ordered by the Commission in this case should be applied prospectively to offers received after the final order is issued herein.

Peak Power Production Company, Inc., Wythe Park Power, Inc. and Combined Heat and Power, Inc. ("Peak Power", "Wythe", and "Combined Heat") are also developers that, like JGB, had tendered offers to sell power from QF projects. Peak Power witness Kinder testified that he had executed contracts with the Refund Formula for five of fourteen projects. Of the remaining nine projects, five were apparently not in Virginia Power's service territory, although Mr. Kinder testified that he was negotiating wheeling arrangements. The remaining four projects were ultimately found to be in the Company's service territory in Timberville. Mr. Kinder admitted that the limitation on the availability of Schedule 19 led him to propose four 3 MW facilities rather than one larger unit at the Timberville site.

Wythe and Combined Heat are sister corporations with the same ownership. Charles Packard, president of both companies, presented testimony in this case. Wythe and Combined Heat proposed to sell power from three 3 MW facilities to Virginia Power.

Peak Power, Wythe and Combined Heat argued that PURPA created a unilateral contract. These protestants further argued that they were entitled to avoided costs calculated at the time a legally enforceable obligation is created. They asserted that their legally enforceable obligation to sell power to Virginia Power was created when they offered to sell power to the Company and thus they are entitled to the Schedule 19 payments in effect at that time. They, however, also recognized the Commission's constitutional duty to protect the interests of the ratepayers. Accordingly, they were willing to accept, as a short term solution, something akin to the Refund Formula. They urged the Commission to direct Virginia Power to submit a proposed payment schedule for on-peak operation only. They also urged the Commission to consider a rate design that reflected the difference in the value of on- and off-peak power.

Virginia Cogen V, Inc., Virginia Cogen VI, Inc., and Virginia Cogen VII, Inc. ("Virginia Cogen") had also submitted offers to Virginia Power. Virginia Cogen recognized the Commission's authority to change a payment design that no longer fairly reflected avoided costs, but asserted that the Commission could not abrogate existing contracts. Virginia Cogen suggested that arbitration may be the most appropriate way to determine whether individual factual circumstances support requiring Virginia Power to sign tendered contract offers. Regardless of the decision on the contract issue, Virginia Cogen also urged the Commission to develop a rate structure that fairly reflects avoided costs by designing payments for peaking, intermediate and base loaded plants.

Ecopower, Inc. ("Ecopower") also participated in this proceeding as a protestant. Unlike most other protestants in this case, Ecopower proposed to operate its facility "more or less full-time." Ecopower stated that it therefore was willing to sign a contract with the Refund Formula. It intended to provide the Company up to 16 MW of power using a new technology currently under development. It, however, objected to the reduction of the applicability of Schedule 19 to QFs of only 100 kw or less.

One public witness appeared at the hearing. Joseph T. Hamrick represented Aerospace Research Corporation and Cogenerative Electric Power. Mr. Hamrick also took exception with the Company's proposal to reduce the applicability of Schedule 19 to projects with a maximum design capability of 100 kw. Mr. Hamrick testified that he had a 3 MW contract under Schedule 19 that was subject to termination on December 31, 1992, if the proposed facility was not in operation. Due to design changes and cost overruns, it was Mr. Hamrick's testimony that he was unlikely to meet that deadline. He testified that his system used a small gas turbine which also used biomass and which was funded in part as a demonstration project by the Department of Energy. Mr. Hamrick stated that it was important that the Company be able to extend the contract. Mr. Hamrick expected the operation of his proposed facility to be delayed until June of 1993.

Staff presented the testimony of Thomas Lamm who concluded that the current Schedule 19 payment design is inconsistent with the assumptions underlying the development of the avoided cost upon which the payments are based. He testified that this inconsistency could result in Virginia Power making capacity payments to developers of QFs which "substantially exceed the avoided cost of the system capacity displaced as a result of the QF capacity." Staff recognized that this inconsistency had been embedded in the design of capacity payments to cogenerators since the adoption of the DRR approach. Staff testified that until recently, however, developers interested in executing contracts based on Schedule 19 had been relatively few in number and had historically operated at a high capacity factor, both on- and off-peak, despite the design of the payment stream. Staff recommended one of two redesigned payment structures as a short-term solution to correct the identified inconsistency. Staff supported the use of a Refund Formula as suggested by Virginia Power, but recommended that developers be required to operate 100% of the on-

peak hours to earn the full capacity payment. In the alternative, Staff also suggested that avoided capacity costs could simply be spread over all on and off-peak hours, thus matching the operational assumptions with the payment design. Staff also identified two small inadvertent mechanical errors in the calculation of the avoided capacity cost. Gross receipts taxes were improperly included in the avoided capital cost calculation and fixed operating and maintenance ("O&M") costs associated with the expansion units in the avoided cost study were not "lagged" to reflect a June 1 in-service date consistent with other associated fixed costs. These errors should be corrected.

This proceeding raises three fundamental questions. First, we must determine whether a problem exists with the Schedule 19 payments as approved on January 24, 1992. If a problem exists, we must then determine how Schedule 19 should be changed. Finally, and what has proven to be the most controversial issue in this case, we must determine how any such change should affect developers that have made offers to sell power to Virginia Power but do not have fully executed contracts for such sales.

It is clear from the record received in this matter that QF developers that would now operate only on-peak would receive capacity payments in excess of the Company's avoided costs. The Company and Staff witnesses testified at length that the operational assumptions for the QF block underlying the calculation of avoided costs reflected higher capacity factors typically associated with the higher operation of a baseload unit and resulted in the displacement of high cost company built baseload capacity in the 1991 avoided cost study. The value of baseload capacity is, of course, dependent on high capacity performance so that the benefits of the low variable costs can be realized through a low unitized total production cost. In general, there are three types of capacity. Peaking capacity is characterized by low fixed capital and O&M costs and high variable energy costs. Baseload capacity is characterized by high fixed capital and O&M costs and low variable energy costs. Intermediate capacity generally has fixed and variable costs which fall between peaking and baseload costs. Peaking capacity then should operate at low capacity levels due to its high variable energy costs and is typically used only when required to meet peak load demand. Baseload capacity, on the other hand, must operate at high capacity levels to achieve the benefits of its low variable energy costs.

The manner in which the high avoided baseload capacity payments in Schedule 19 were designed is not consistent with the operational assumptions that the new QFs will operate at a 100% capacity factor, however, and this allows a QF to collect 100% of the high capacity payments while operating only 3,120 of 8,760 hours in a year for a relatively low 36% capacity factor. In other words, these developers could be paid the high capacity payments while failing to provide the expected offsetting energy savings that would be generated by baseload capacity. The result would be a high unitized production cost which greatly exceeds Virginia Power's avoided cost.

No evidence was offered to contradict the potential problem which could result from that mismatch between the assumptions made to develop the total stream of avoided cost capacity dollars and the design used to develop actual payments. Rather, the majority of the protestant developers generally urged application of any change in the design of the payments to be applied to offers made subsequent to the final order in this case and not to their offers.

As all parties recognized in their briefs, the Commission is primarily guided by federal law in establishing the payments which Virginia Power must make to QFs. Specifically, the Public Utility Regulatory Policies Act of 1978 or PURPA (16 U.S.C. § 824a-3) and the implementing regulations promulgated by the Federal Energy Regulatory Commission ("FERC") and codified at 18 C.F.R. § 292.101 et seq., set forth the fundamental mandate for utilities to purchase power from QFs. The payment for such purchase, however, must be based upon the utility's avoided costs. Section 210(b) of PURPA (16 U.S.C. 824a-3(b)) requires the payments to cogenerators by electric utilities to be "just and reasonable to the electric consumers of the electric utility and in the public interest..." That same section also clearly requires "no such rule prescribed under Subsection (a) shall provide for a rate which exceeds the incremental costs to the electric utility of alternative electric energy." Moreover, the regulations promulgated by the FERC also provide that "[n]othing in this subpart requires any electric utility to pay more than the avoided costs for purchases." 18 C.F.R. § 292.304. PURPA establishes, by law, rates for power purchases from QFs that may not exceed "the incremental cost to the electric utility of alternative electric energy," i.e., the cost to the electric utility of the electric energy which, but for the purchase from the QF, the utility would have had to generate or purchase from another source. The ratepayer would thus be indifferent as to the source of the electric energy since the price of the various alternatives would be the same. It would violate one of the fundamental principles of PURPA, ratepayer neutrality, to require Virginia Power to execute contracts for peaking power at payments we know will exceed the Company's avoided cost.

The FERC regulations are no less specific in directing that the maximum standard rate be limited to avoided costs. While directing that standard rates for purchases from QFs with a design capacity of 100 kw or less be put into effect, the FERC regulations also provide that those standard rates shall be consistent with the requirement that rates for purchases be just and reasonable to the electric consumer and again provide that nothing requires an electric utility to pay more than the avoided cost for purchase. 18 C.F.R. § 292.304(c)(3)(i). The FERC has further explained that:

> If the Commission required electric utilities to base their rates for purchases from a qualifying facility on the high capital or capacity costs of a baseload unit, and, in addition, provided that the rate for the avoided energy should be based on the high energy costs associated with the peaking unit, the electric utilities' purchase power expenses would exceed the incremental costs of alternative electric energy, contrary to the limitations set forth in the last sentence of § 210(b).

Small Power Production and Cogeneration Facilities: Regulations Implementing § 210 of the Public Utility Regulatory Policies Act of 1978, Order No. 69, FERC Stats. and Regs., Regulations Preambles 1977-81, ¶ 30,128 at 30,866 (1980). The Commission has long recognized that discharge of its obligations under PURPA requires a careful weighing and balancing of the interests of ratepayers and the interests of QFs. We would not be fulfilling our responsibility under federal law if we failed to act in the face of clear evidence that payments could exceed avoided costs.

We further find that the Staff's proposed Refund Formula facilitates a more reasonable match between the underlying operational assumptions and the capacity payment structure than does the Company's proposal. Staff's proposal designed capacity payments over 100% of the on-peak hours (3,900 hours), as opposed to the Company's proposal to continue designing capacity payments over 80% of the on-peak hours (3,120 hours). Staff's proposal therefore matches the modeling assumption that the QF would operate at a 100% capacity factor. Staff would then also institute the Refund Formula. The Staff's Refund Formula encourages QFs to maintain off-peak production by requiring a partial refund of capacity payments if the total capacity factor is less than 100%. The Refund Formula approach not only encourages QFs to maintain off-peak production, but to the extent production is not level results in reasonable payments consistent with the level production assumptions used to develop

avoided costs. Accordingly, we will approve the Staff's Refund Formula proposal as a short term solution until the Company's total avoided costs calculation and payment structures can be more fully investigated in the context of the Company's 1992 resource plan.

Several parties in this case suggested that a payment structure could also be designed to match peaking operational characteristics. That idea is reasonable and should be pursued in the next Schedule 19 filing.

Also at issue in this case is the appropriate threshold for standard rates in Virginia. The FERC regulations require standard rates to be made available for projects with a design capacity of 100 kw or less. Over the last few years, this Commission has raised the threshold for applicability of Schedule 19 to facilities with a design capacity of 3,000 kw or less. Virginia Power now proposes to reduce that threshold to 100 kw or less. This proposal is intended to limit the Company's exposure to capacity payments that it asserts are too high in general. Staff, however, maintained that energy costs must also be considered in a comparison between QF payments and the levelized costs of a company-built coal unit. Staff testified that when energy costs are included in the comparison it is not readily apparent that Schedule 19 payments are excessive as a result of overstated avoided costs. Staff recognized that substantial changes have been incorporated in Virginia Power's load forecast and expansion plan since the 1991 avoided cost study. Staff accepted the premise that changes in a load forecast and expansion plan impact avoided costs and that generally delay and reduction of capacity needs tend to reduce avoided costs. Staff believed, however, that it did not have enough information to determine the significance of this potential reduction, if any, and did not at the time of the hearing here have the basis for making a definitive assessment.

Since it is uncertain whether payments, even with the Refund Formula, might exceed the Company's avoided costs, we find it reasonable to limit the threshold for applicability of Schedule 19 to facilities with a design capacity of 100 kw or less until the Company's avoided costs can be more fully investigated in the next proceeding to minimize the potential impact on ratepayers. The Company, Staff and other participants in the next case, however, should focus on the appropriate threshold for standard payments in that next case. Although the threshold will be lowered effective with the date of this order, separate treatment, as discussed below, will be afforded those developers which have offers pending with Virginia Power. Although we previously determined that it was reasonable for the Company to file revisions to Schedule 19 biannually, we did not mean to suggest that the Company was precluded from requesting more frequent changes if circumstances warranted. Therefore the Company should file a new avoided cost study on or about March 31, 1993.

Our findings here should not be construed to affect a utility's public service obligation to provide utility service to consumers pursuant to tariffs filed and approved by the Commission. The schedules of payments to QFs for capacity and for energy are not charges for service to the public. In setting payments, the Commission discharges an obligation imposed by Section 210 of PURPA and the implementing FERC regulations. The Commission initiated this proceeding, like prior proceedings involving payments for qualifying facilities, pursuant to its obligation under federal law to oversee Virginia Power's compliance with Section 210 of PURPA. This obligation to oversee the implementation of a federal statute in Virginia is certainly consistent with the Commission's broad jurisdiction to oversee the activities of public service corporations.

We have fulfilled our PURPA responsibility in a number of ways while remaining mindful of the balance in the interests of ratepayers and QFs. In certain instances, the Commission has allowed schedules of payments to take effect pending completion of an investigation. Virginia Electric & Power Co., 1989 S.C.C. Ann. Rep. 325. We have also directed Virginia Power to compensate qualifying facilities for underpayments made while an investigation was ongoing. Virginia Electric & Power Co., 1985 S.C.C. Ann. Rep. 384, 391-92; Virginia Electric & Power Co., 1990 S.C.C. Ann. Rep. 309, 310. Such flexible responses are clearly proper under PURPA.

The answers to the first two questions presented by this case are thus clear. There is a problem with the existing Schedule 19 capacity payments as now stated which can lead to these payments being excessive under the principles of PURPA. The payments should be changed for that reason. The remaining question is whether the change we have found necessary should affect developers with offers outstanding to Virginia Power.

We have been presented with clear, uncontroverted evidence that payments under the existing Schedule 19 could exceed the Company's current avoided costs. Several developers participating in this case testified that they relied on the January 24, 1992, Schedule 19 payment structure. Yet, Schedule 19 itself provides developers with notice that QF payments are subject to change at any time:

> the provisions of this schedule, including the rates for purchase of electricity by the Company, are subject to modification at any time in the manner prescribed by law, and when so modified shall supersede the rates and provisions hereof. (Emphasis added.)

We will therefore not direct Virginia Power to execute contracts with developers which submitted offers to the Company but which do not have executed contracts. However, notwithstanding our decision to reduce the applicability threshold for Schedule 19, those developers which have contract offers pending before Virginia Power may execute contracts with the Refund Formula approved herein. The Refund Formula approved herein provides the best short term payment design possible on the basis of this record. We believe it is equitable for these developers to receive contracts with Virginia Power at payments properly designed.

Schedule 19 by its terms also provides that "[t]he term of any contract shall be such as may be mutually agreed upon but for not less than one year." Thus, it may be observed that the developers could not have cause to complain had the Company only offered to execute short term contracts pending recalculation of Schedule 19 payments in 1993. The existing terms of Schedule 19 could thus have provided a remedy for the Company to bridge the period until a redetermination of Schedule 19 payments independent of the remedy provided by the Commission here.

Moreover, the form of the agreement which the protestant developers executed and provided to Virginia Power contains a "Regulatory Out" provision that provides:

> Should the Virginia State Corporation Commission (SCC) disapprove payments hereunder for energy or capacity or both, or at any time prohibit Virginia Power from recovering from its customers payments made hereunder, the parties will undertake to set mutually agreeable prices for the purchase of energy and capacity that the SCC will allow Virginia Power to recover from its customers. Should such an agreement not be reached, either party may seek arbitration by the SCC.

Hence, if we directed Virginia Power to sign contracts under the terms of the old Schedule 19 at this juncture, knowing that those payments would exceed the avoided costs, those excessive payments would be subject to prudency reviews in the Company's future rate cases. Such reviews could result in disallowances which would require Virginia Power and the developer to renegotiate contract prices to a reasonable level. Enforcement of Schedule 19 without regard to current avoided costs could lead developers to rely on a contract price which would likely be adjusted downward at some later point in response to the Regulatory Out clause.

It is quite obvious that the most effective means of mitigating damage to the Company, to its ratepayers or to the developers, is to correct the excessive payments in the first place. The Refund Formula we approve herein provides only a short term solution. Neither Schedule 19 nor, more importantly, the public interest require binding Virginia Power to long term contracts which will concededly result in payments in excess of avoided costs. We order the Refund Formula here because it is a fairer solution in the interim than either short term contracts which clearly could result under the existing terms of Schedule 19 or future disallowance of excessive payments that would ultimately penalize both the Company and the developers.

THE COMMISSION, having considered the record received herein, the applicable state and federal law, is of the opinion and finds that the existing Schedule 19 payments as designed allow payments in excess of the Company's avoided cost to QFs operating only on-peak. Contract provisions with respect to the payments should thus incorporate the Staff's proposed payment design with the Refund Formula. The Commission further finds that Virginia Power should not execute any further contracts, including contracts with developers which submitted offers to the Company but which do not have executed contracts, without the Refund Formula. Accordingly,

IT IS ORDERED:

(1) That, within five (5) days of the date of this Order, Virginia Power shall file with the Clerk of the Commission and serve copies on all parties a revised Schedule 19-1992/1993 conforming to the conclusions and findings made above, including the mechanical corrections noted by Staff, Staff's redesigned payment with the Refund Formula, and the reduced applicability threshold;

(2) That the October 30, 1992, stay of the effectiveness of Schedule 19 shall be, and hereby is, lifted;

(3) That Virginia Power shall offer to purchase power from developers which submitted offers to the Company on or before October 30, 1992, but which do not have executed contracts at Schedule 19 payments as modified herein with the Staff's Refund Formula;

(4) That, on or before March 31, 1993, Virginia Power shall file any proposed revisions to the payments, terms and conditions for power purchases from small QFs incorporating the impact of its 1992 Resource Plan; and

(5) That this matter be dismissed from the Commission's docket of active cases and the papers herein be placed in the file for ended causes.

MOORE, COMMISSIONER, dissents:

I agree with the majority's conclusion that problems exist with Schedule 19, and I believe that Schedule 19 should be amended prospectively to correct the two minor errors identified by Staff and to incorporate the Staff's Refund Formula so that the Schedule's payment design will more closely match the operational assumptions on which it was based. I also agree that the threshold for Schedule 19 should remain at 100 kW until we can examine this issue in connection with the Company's next filing and can establish the rate level for Schedule 19 based on up-to-date projections of need and cost. I respectfully dissent from the remainder of the majority order.

The majority acknowledges that "the Commission is primarily guided by federal law in establishing the payments which Virginia Power must make to QFs." I agree, though I think "guided" is too mild a term. This Commission has a number of obligations under federal law, and the majority order does not comply with many of them.

There are, I believe, three central issues which must be analyzed in this proceeding as a result of the majority's order. The first involves the "standard rate" required by the FERC rules; the majority essentially fails to address this issue.

The FERC rules provide as follows:

> (1) There shall be put into effect (with respect to each electric utility) standard rates for purchases from qualifying facilities with a design capacity of 100 kilowatts or less.
>
> (2) There may be put into effect standard rates for purchases from qualifying facilities with a design capacity of more than 100 kilowatts.

> (3) The standard rates for purchases under this paragraph: (i) Shall be consistent with paragraphs (a) and (e) of this section . . ..

§ 292.304(c).[2]

Under the FERC rules, qualifying facilities can deliver energy or capacity to the utility under either of two scenarios:

> (1) To provide energy as the qualifying facility determines such energy to be available for such purchases, in which case the rates for such purchases shall be based on the purchasing utility's avoided costs calculated at the time of delivery; or
>
> (2) To provide energy or capacity pursuant to a legally enforceable obligation for the delivery of energy or capacity over a specified term, in which case the rates for such purchases shall, at the option of the qualifying facility exercised prior to the beginning of the specified term, be based on either:
>
> (i) The avoided costs calculated at the time of delivery; or
>
> (ii) The avoided costs calculated at the time the obligation is incurred.

§ 292.304(d).

This Commission conducted its initial hearings on this matter in 1981, with respect to Virginia Power, in Case No. PUE800102. Though many proceedings have followed in the intervening years, one principle established as a result of the first hearings has remained constant. That is, as mandated by the FERC rules, this Commission put in place, and has maintained, "standard rates for purchases" applicable to smaller qualifying facilities. The standard rates for Virginia Power are a component of its general tariffs, denoted as Schedule 19. At first that Schedule covered QFs of 100 kW or less. Over the years, the ceiling was raised to 3,000 kW. Any QF wishing to contract for the sale of 3,000 kW or less of capacity is thus entitled to rely on Schedule 19, rather than undergoing the more arduous task of negotiating individual rates with the utility.

In examining this first issue, a number of questions must be addressed. What is the meaning of the term "standard rates"? What is it that makes a rate "standard"? Can a standard rate be changed unilaterally by the utility, or the QF, subject to it? How and when can the "standard" rate be changed?

In considering these questions, it must be observed that they are simply different facets of the same issue. First, a rate, to be "standard," must be enforceable as far as the parties affected by it are concerned. Otherwise, the term would have no sensible meaning. A rate cannot be "standard" if one or both parties are free to reject it. If the rate is suspected of varying from current avoided costs, the parties can always seek a revision by the Commission, or the Commission can initiate its own review. One party may not, however, unilaterally change, or fail to observe the rate. If it could, the rate is scarcely "standard."

One unavoidable and necessary consequence of the FERC decision to mandate standard rates was that it created, from the moment of its announcement, the inherent situation which appears to be the most troubling aspect of this case for the majority. That is, rates may be standard and fixed at a point in time, but avoided costs change constantly. When this Commission fixes a standard rate based on information in a record before it, one can say with absolute certainty that there is a mismatch between that standard rate and current avoided costs that day (because the data in the record are already out-dated) and there will be such a mismatch each day thereafter. It would be the merest happenstance if rates contained in the "standard" tariff precisely equaled avoided costs at any moment after the tariff was adopted. What my colleagues appear not to acknowledge is that FERC surely knew a phenomenon of this nature would occur with all standard rates when it adopted such a policy, and this Commission has known it also on each occasion on which it has adopted, or modified, a standard rate.

Sometimes the "standard" rates will be too high, and sometimes too low, but if the concept means anything, it means that when a QF covered by the standard rates incurs a "legally enforceable obligation," it is to be paid those rates.

But what of the provisions in the FERC rules that utilities need not pay more than avoided costs,[3] and that rates applicable to a "legally enforceable obligation" are to be based on "avoided costs calculated at the time the obligation is incurred"?[4] The majority, whether explicitly or implicitly, places much reliance on these two provisions.[5]

These provisions do not exist in a vacuum; they are part of the larger body of FERC rules which must be read in their entirety. Can it be said that the two above provisions are in irreconcilable conflict with the standard rate requirement, or that they override it? Surely not; such an interpretation would render the latter requirement a nullity.

Any apparent conflict among these provisions can be resolved by acknowledging that all standard rates will, upon adoption, be at variance with the avoided costs being incurred by the utility on a daily basis. The remedy for this situation is not to ignore the standard rate rule, but to recognize that when any party (utility, QF, or the Commission) perceives that the variance between the rates and avoided costs is too great, a proceeding may be instigated to change the rates prospectively.

FERC acknowledged a similar mismatch, in a different factual context, when it promulgated §§ 292.304(b)(5) and (d). Sub-section (d) is the "calculation" provision, while sub-section (b)(5) provides that, when rates based on avoided costs have been fixed in a contract for the life of such contract, such rates do not violate the rules if they later differ from avoided costs at the time of delivery. FERC commented on these provisions as follows:

> Paragraphs (b)(5) and (d) are intended to reconcile the requirement that the rates for purchases equal the utilities' avoided cost with the need for qualifying facilities to be able to enter into contractual commitments based, by necessity, on estimates of future avoided costs. . . . The Commission does not believe that the reference in the statute to the incremental cost of alternative energy was intended to require a minute-by-minute evaluation of costs which would be checked against rates established in long term contracts between qualifying facilities and electric utilities.

(Emphasis supplied)

45 Fed. Reg. 12,224 (1980).

While that passage deals specifically with avoided costs determined at the time an individual QF contracts with a utility (rather than at the time a state commission adopts standard rates), compared to avoided costs determined later, in my view the same reasoning applies to the question of how to reconcile the standard rate provision with the "calculation" and "not to exceed" provisions. Once a standard rate is fixed, a "minute-by-minute" adjustment of those rates to fit evolving estimates of avoided costs is not appropriate, not legally required, indeed, not legally permitted.

This concept is hardly novel. In addition to the above scenario, other examples are also instructive. This Commission has arbitrated a number of disputes involving the efforts of large QFs, not covered by Schedule 19, to negotiate contracts with the utility. One firm principle in these matters is that the QF is entitled to avoided costs determined, at the latest, on the date a petition for arbitration is filed with the Commission. That entitlement remains fixed, no matter that avoided costs may change substantially before the arbitration is concluded. Thus, we may approve an arbitrated rate based on cost data as of the filing date of the petition even though we know, from more recent information, that the rate will exceed the current estimate of avoided costs.[6] Consider also ordinary retail rates.[7] Once fixed in a rate case, may the utility alter them unilaterally on the claim that, due to changed conditions, it is now seriously underearning? May ratepayers suddenly start paying less, based on their contention that the utility is overearning?

In short, when a standard rate is applicable, the "calculation" can be performed quite simply. It is done, not by reference to the Company's computer runs, long-range plans, or other data which would be so bewildering to the small QF intended to be benefited by this rule; it is done merely by going to our Clerk's Office, or the Company's offices, and looking up the rates contained in Schedule 19. As long as the Schedule remains in effect, that should end the matter. What the majority has done by its decision today is to negate the whole concept of standard rates.

The order of January 24, 1992, fixed, as a matter of law and until such time as the Commission entered a subsequent order modifying such determinations, Virginia Power's rates, terms and conditions applicable to any QF qualifying under Schedule 19. Virginia Power was bound to observe that order, and specifically to make the approved Schedule 19 rates available to small qualifying facilities, so long as the Schedule remained unchanged by the Commission. In contemplation of law, it literally is of no consequence that Virginia Power might have later determined that avoided costs, as it calculated them, had changed, that QF operational characteristics engendered by the design of that Schedule were not acceptable, or that the Company viewed any of Schedule 19's myriad provisions as less than optimal. Its obligation was to obey that order, and thus the Schedule, until the Commission changed it.

In this regard, one most regrettable consequence of the majority's order is that it may encourage Virginia Power, other utilities, and indeed other regulated businesses generally, to ignore Commission orders when that regulated entity determines, on its own initiative, that it has good and sufficient reason to do so. As regulators, such a decision will, I fear, pay us unwelcome dividends in the future.[8]

It is interesting to note, though of course not controlling, that the January, 1992 Final Order was not entered over Virginia Power's objections. The Order makes clear that the rates adopted therein were the product of a recommended settlement reached by parties to the proceeding, including Virginia Power. Admittedly, like most settlements, the end result apparently was not what the individual parties would have chosen for themselves, given a free hand. Nevertheless, Virginia Power participated fully in the case and the settlement discussions, accepted the results, did not ask for a rehearing of the Order, and did not appeal it.

If, at any time, Virginia Power concluded (as it plainly did) that Schedule 19 required revisiting, it was free to ask this Commission to open a proceeding to address and remedy alleged shortcomings. Though it finally made such a request on August 19, 1992, it was not free to ignore, or attempt to modify unilaterally, the rates, terms and conditions of Schedule 19 prior to an appropriate Commission order on the subject.

In disregard of this principle, Virginia Power apparently decided sometime in June of 1992 to use such self-help in its dealings with QFs attempting to enter into arrangements with it under Schedule 19. Its principal effort in this regard came in the form of the Refund Formula, which, despite the Company's protests to the contrary, clearly constituted a modification of the rates payable under the Schedule. Section III(D)(4) of Schedule 19 provides that capacity payments to QFs during any year are limited by the lesser of (1) 3,000 kW, or (2) the QFs contracted capacity, in either case multiplied by 3,120 (36% of a year, or 80% of on-peak hours under the Schedule), and further multiplied by the applicable cents per on-peak kWh capacity payment.

In more simple terms, any QF operating at least 3,120 peak hours per year would be entitled to full capacity payments under that provision. The Refund Formula, by contrast, required the QF to operate 7,008 of the 8,760 hours in a year (80%) to receive the same level of payments. Imposition of the Refund Formula therefore effected a direct revision of the rates to be paid under the Schedule. It was hardly remarkable that many QFs dealing with Virginia Power at that time refused to agree to the Refund Formula. Such was their right, in my opinion.[9]

As justification for the Refund Formula, Virginia Power now states that it was surprised to learn in the spring of 1992 that a number of potential QFs were proposing to structure their operations to conform to the above original provisions of Schedule 19, and thus to operate only on-peak. Why this point came as a surprise is not apparent; the very purpose of utility tariffs is to set the permissible boundaries for behavior covered

by the tariff. One such boundary of Schedule 19 was clear; if the unit operated 80% of the on-peak hours, the QF would receive full capacity payments. Virginia Power also knew, or should have known, from the operating history of generators already on its system that there were a number of QFs meeting only the minimum conditions necessary to qualify for capacity payments, as described above.[10]

To conclude this issue, it is beyond question that Virginia Power was bound to the provisions of Schedule 19, as approved by the Commission's January 24, 1992 Order, until the Schedule was amended by the Commission on October 30, 1992. Accordingly, prior to that date, Virginia Power was required to purchase energy and capacity under the terms of Schedule 19 from any QF which entered into a contract or incurred a "legally enforceable obligation."

We thus arrive at the second major issue in this proceeding. Did the QF protestants incur "legally enforceable obligations" prior to October 30, 1992, thus becoming entitled to Schedule 19 rates as they then existed? While we need not decide the issue for each protestant, or indeed, for others who may have conducted themselves in a similar fashion between January 24, 1992, and October 30, 1992, certain points should be made clear. First, substantial effort may be required on the part of a QF, but

> [w]here a QF has done everything within its power to create such an obligation, either by tendering a contract to the utility or by petitioning the PUC to approve a contract or to compel a purchase, and only an act of acceptance by the utility or an act of approval by the PUC remains to establish the existence of a "contract," then the "legally enforceable obligation" contemplated by § 292.304(d)(2) has been created . . ..

Armco Advanced Materials Corp. v. Pennsylvania Pub. Util. Comm'n, 579 A.2d 1337, 1347 (Pa. Commw. Ct. 1990), aff'g in part and modifying in part Re West Penn Power Co., 71 Pa. P.U.C. 60 (1989). In my view, the record here will support the conclusion that a legally enforceable obligation was created for most, if not all, protestants. It is certainly true for those protestants who submitted signed contracts to the utility prior to October 30, 1992, using the sample form contracts provided by Virginia Power.

What is important is the QF's level of commitment, not the utility's. Indeed, it is not necessary for the utility to sign a contract, or to agree to anything, for a "legally enforceable obligation" to arise.[11]

FERC's commentary on its rules states:

> Use of the term "legally enforceable obligation" is intended to prevent a utility from circumventing the requirement that provides capacity credit for an eligible qualifying facility merely by refusing to enter into a contract with the qualifying facility.

45 Fed. Reg. 12,224 (1980).

Although Virginia Power acknowledged in its brief that the key is the commitment of the QF, rather than the consent of the utility,[12] the Company sought to blur this line and then to conclude that a contract must be signed by both parties before any PURPA rights attach. In its final brief it argues:

> Schedule 19 itself properly reflects the federal law. First, it provides that a contract must be entered into before the proposed QF has any rights under Schedule 19 . . .. The requirement that the QF must execute a contract with Virginia Power before the provisions of Schedule 19 apply is stated throughout Schedule 19.
>
> Second, Schedule 19 expressly provides that its rates are subject to change until a contract is executed . . ..

Virginia Power, Post-Hearing Brief at 23 (citations omitted).

The Company next contends that the QF protestants did not do enough to create for themselves a legally enforceable obligation to supply capacity and energy to Virginia Power. The Company refers to the "several choices that the QF had to make" in the sample contract. According to the Company, these "choices" were subject to acceptance by Virginia Power.[13] It is clear that, according to the Company, a QF could never create a legally enforceable obligation as long as the utility wanted to prevent it by refusing to accept the QF's "choices."

Finally, Virginia Power admits the obvious result of its argument and concludes:

> Once the Company determined that the rates in Schedule 19 would exceed current avoided costs for exclusively on-peak generation it took steps to assure that no further contracts would be executed unless they contained contractual terms to assure compliance with PURPA's requirements of paying no more than avoided costs.

Virginia Power, Post-Hearing Brief at 27.

According to Virginia Power, no party has any right to Schedule 19 rates unless and until the Company decides to sign the contract. Taken to its logical conclusion, as it was in this case, this argument is simply that as long as Virginia Power "stonewalls" and refuses to put pen to paper, it can avoid any obligations under PURPA.

The majority seems to accept the Company's position, in that it refuses to accord any rights to any protestants in this case, except the right to sign a contract as the Company and the majority have now modified it.[14]

The Company and the majority base their positions on the provision of Schedule 19 which states:

> The provisions of this schedule, including the rates for purchase of electricity by the Company, are subject to modification at any time in the manner prescribed by law, and when so modified, shall supersede the rates and provisions hereof.

I do not accept such a conclusion. In the first place, although the majority and Virginia Power underscore the statement in Schedule 19 that rates are subject to modification "at any time," both conveniently find the next phrase unworthy of similar emphasis: "in the manner prescribed by law." Virginia Power's unilateral actions in the summer of 1992 were not as "prescribed by law," and it was the Company's refusal to enter into contracts which is the foundation of this theory now constructed by the Company and the majority. Their argument must run that, since no contracts were accepted by the Company prior to October 30, 1992, no legally enforceable obligations have yet arisen, and thus the Commission's present changes to the tariff, adopted as "prescribed by law," can legitimately be imposed on all protestants. It was contrary to law for Virginia Power to act as it did this past summer; the majority's decision here cannot bootstrap that conduct into acceptability at this late date.

Secondly, if Virginia Power is so confident of the merits of this argument, why did it sign two contracts with Virginia Cogen on July 10, 1992, without the Refund Formula, after it decided to refuse to deal similarly with other potential QFs? Its legalistic argument on the cited language of Schedule 19 apparently gave way, in the case of Virginia Cogen, to a concern that the Company would seem to be acting "in bad faith" if it refused to sign those contracts.[15]

Thirdly, and most importantly, it is not helpful to focus only on provisions of Schedule 19. The question is what the applicable law requires, and whether Schedule 19 complies. If Schedule 19 can be interpreted and applied as suggested by the Company and the majority, then Virginia simply has no "standard rates" for purchases in effect, and it is thus in violation of federal law. A rate is not "standard" if it can be denied or changed at the whim of the utility, even with a later attempt at ratification of such actions by this Commission.

Once it has been determined that Virginia Power must enter into a Schedule 19 contract with a QF, the required duration of the contract must be established. This third major issue arises from the fact that, as the majority notes, Schedule 19 states: "The term of contract shall be such as may be mutually agreed upon but for not less than one year." Staff suggested, and urged repeatedly on Virginia Power's witnesses at the hearing, that a simple solution to the Company's problems would be to adhere strictly to this provision and enter into no contracts for longer than a year. To their credit, in the face of such encouragement, Virginia Power's witnesses resisted this invitation.

It is unfortunate, however, that the Company's final brief, and now the majority order, accepts this erroneous proposition. The majority states that the developers

> could not have cause to complain had the Company only offered to execute short term contracts pending recalculation of Schedule 19 payments in 1993. The existing terms of Schedule 19 could thus have provided a remedy for the Company to bridge the period until a redetermination of Schedule 19 payments independent of the remedy provided by the Commission here.

The majority then seems to suggest that its adoption of the Refund Formula is, in some way, intended to serve as a substitute for the one-year provision: "We order the Refund Formula here because it is a fairer solution in the interim than . . . short term contracts which clearly could result under the existing terms of Schedule 19 . . .." The majority may believe this is a "fairer" approach, but it also appears that the Company can, under the majority order, use both the Refund Formula and the term-length restriction, if it chooses. Since the Company argues that the Refund Formula alone will not cure the rate level problems, I will not be surprised to see the Company decide for itself what is "fair," and step through this majority-made loophole.[16]

The majority's failure to reject firmly the "one-year" theory is indefensible, since all participants seemed to understand that the use of such a ruse would be tantamount to revoking the Schedule entirely. Capacity contracts of such short duration would be of virtually no value, as evidenced by Schedule 19 itself.[17]

Further, and more importantly, a standard rate interpreted to allow the utility to enter into contracts only one year in length would violate both the letter and the spirit of the FERC regulations. These regulations include the following:

> Each electric utility shall purchase . . . any energy and capacity which is made available from a qualifying facility . . ..

§ 292.303(a).

> (1) There shall be put into effect . . . standard rates for purchases from qualifying facilities with a design capacity of 100 kilowatts or less.
>
> . . .
>
> (3) The standard rates for purchases under this paragraph:
>
> (i) Shall be consistent with paragraphs (a) and (e) of this section;

§ 292.304(c)(1), (3)(i).

Paragraph (a) of § 292.304 provides, in part:

> Rates for purchases shall: . . . Not discriminate against qualifying cogeneration and small power production facilities.

§ 292.304(a)(ii).

Thus, utilities must purchase "any energy or capacity which is made available" by QFs. If small QFs are restricted to only one-year contracts, then utilities will have no obligation to purchase such capacity at all. If a QF offers to supply capacity for a term of 30 years, then that is the capacity which the QF has "made available." The utility cannot meet its legal requirements by responding with an offer to purchase capacity for only one year, or in one-year increments, since such an arrangement would not be, in fact, a purchase of the capacity "made available," but a rejection of it.[18]

Secondly, if Schedule 19 is limited in its availability to contract durations of only one year, small QFs will, of necessity, be treated in a discriminatory fashion, as prohibited by § 292.304(a)(ii). A major premise of PURPA was that QFs could supplant, to some degree, a utility's own capacity and make it unnecessary to build new plants or enter into traditional purchased power agreements with other utilities, hence the term "avoided costs."[19] Utilities do not build their own plants, or obtain most purchased power contracts on one-year bases, however, and as Virginia Power itself acknowledged, such short-term contracts would avoid virtually no capacity costs.[20] Thus, the QF's potential to serve in lieu of a utility's own generation will be negated by this interpretation.[21]

Thirdly, not only will this reading discriminate against small QFs vis-a-vis utilities, it will also discriminate against those small QFs when compared to larger QFs which arrange negotiated contracts with the utility. It is common knowledge that such negotiated arrangements are normally of long-term duration. Finally, it will even discriminate against those small QFs which Virginia Power refused to deal with in the summer of 1992, as compared to similar small QFs which achieved contracts prior to, or during,[22] that same period.

As interpreted by the majority, the Schedule is simply not in compliance with PURPA and applicable FERC regulations. This Commission is therefore in violation of its obligation thereunder to "put into effect...standard rates for purchases from qualifying facilities . . .." § 292.304(c)(1).

In addition, the record establishes beyond doubt that the practice of the Company has been to allow the QF to choose the term of its contract.[23] Also, as noted earlier, Schedule 19 itself contains a listing of capacity payments for contracts up to 30 years, a useless exercise if a uniform regime of only one-year contracts is to be found acceptable.[24]

Finally, even the Commission's order of January 24, 1992, demonstrates the fallacy of this new reading of Schedule 19. There, in discussing Virginia Power's acceptance of the proposed settlement, the Commission said:

> Based on information reported by the Company in this and other proceedings it appears that Virginia Power's options for contract duration offered under prior versions of Schedule 19 have been workable. Under the arrangements previously approved, qualifying facilities have considerable flexibility to select the duration of their contract. Consequently, we find that we can accept the proposed settlement on capacity payments which includes the same options for contract duration. In taking this action we do not, however, decide the issue of whether a qualifying facility might request a contract for a term in excess of 30 years and whether Virginia Power would be obligated to negotiate such a contract. Likewise, the Commission does not reach the companion issue of whether appropriate energy or capacity payments for a contract with a term of more than 30 years should be developed from Schedule 19-1992/1993 approved in this proceeding.

Thus, far from trying to limit QFs to one year contracts in the previous case, the only issue thought worthy of mention seems to have been whether they could be limited to no more than 30-year contracts.

In conclusion, this case involves not only the rights of the protestants, which have been thwarted by the Company and the majority, but also the rule of law at this Commission. Contrary to the suggestions of the majority, this proceeding does not require the Commission to choose the interests of ratepayers over developers or ratepayers over the rule of law. Proper application of the law would have been fair and protective of all affected parties. The decision of the majority represents both bad law and poor policy.

As explained previously, PURPA clearly requires that Virginia Power honor Schedule 19 rates prior to October 30, 1992. If, as is clear now, Schedule 19 and its rates were improperly designed in the first place, in January, 1992, Virginia Power could have petitioned this Commission at any time to change them. If Virginia Power was imprudent in not seeking a timely review of Schedule 19 by this Commission in the spring and summer of 1992, as soon as it perceived a problem, rather than attempting to impose its own ultra vires solution, then the Commission could protect ratepayers by considering disallowance of the excessive portion of the required payments.[25] Such a review might place the burden of any excessive rates on the Company where, if it were found to be imprudent, it would belong.

Finally, the majority decision is contrary to the rule of law. It is the only instance of which I am aware where a regulated entity which openly and directly violated an order of this Commission was not held accountable for its actions. The majority's failure may well encourage others to follow Virginia Power's example.

[1]Virginia Power alleged two problems with current Schedule 19: rate design (which overpays QFs which operate only on-peak), and the actual rates payable (rate levels exceed avoided costs, regardless of the rate design). Clearly, if Virginia Power is correct as to the rate level, reducing the threshold to 100 kW will only lessen the total amount of excessive payments, not eliminate them.

[2]The FERC rules, found in 18 C.F.R. § 292.101 et seq., will be referred to herein only by their section numbers in that title.

[3] § 292.304(a)(2).

[4] § 292.304(d)(2)(ii).

[5] First, the majority declares that the rates contained in Schedule 19 are too high because they exceed avoided costs calculated since the Schedule was adopted. Next, it adopts the Staff Refund Formula as its solution for this problem. It then holds that developers which submitted offers to the Company but which do not have executed contracts may only utilize the Schedule with the Refund Formula included. Clearly, then, it is the effort not to allow rates to exceed avoided costs, as currently calculated, which is the lodestar for the majority.

[6] Petition of Ultra Cogen Systems, Inc., Case Nos. PUE870088, et al., Memorandum Opinion at 2 (Apr. 27, 1988) (Harwood, Arb.) and Order Ending Proceedings (Nov. 11, 1988).

[7] The majority states that retail rates are different and that its Schedule 19 conclusions are not applicable to them. Even if the majority is correct, my point here is still valid; there are many situations where rates do not match costs, yet the rates remain in effect until changed by the Commission.

[8] Another unfortunate result of this decision is that, although the parties opposed to Virginia Power in this case generally planned facilities at the upper end of the 0 to 3,000 kW range to which Schedule 19 applies, and appeared to be sophisticated participants in this market, the principles announced by the majority could as easily be applied by Virginia Power in its dealings with cogenerators at the other end of the spectrum, 50 kW for example. The disparity in bargaining power between owners of facilities of this size and a major utility should be burden enough without adding to it the "now you see it, now you don't" treatment of "standard" rates which the majority order embraces.

[9] Some QFs did agree to the Refund Formula which, of course, they were free to do. Section 292.301(b) of the FERC rules specifies that parties are free to structure their own voluntary agreements without regard to the rules' requirements.

[10] See Tr. at 190-91, Edwards. Virginia Power witness Green testified as follows:

> the Company used a five-year historical average 100% capacity factor in modeling the 200 MW block of QF capacity in Case No. PUE910035 . . .. In other words, taken as a group, the QFs had historically operated like baseload generating capacity.

Exhibit DJG-16 at 4.

Exhibit GLE-6, however, shows capacity factors for "Schedule 19 Facilities & Facilities with Schedule 19 Pricing Mechanisms" for 1990-1992, by unit. In viewing these data, if one disregards both the large QFs, which are not "Schedule 19 Facilities," and the hydro units, which presumably run whenever stream flow is adequate, then only five (in 1990) or six (in 1991) units are left to examine for the period prior to the January, 1992 order. Of these, one, Scott Energy, a wood-fired plant, had off-peak capacity factors as high as 25% during the period. The rest had off-peak factors no higher than about 2%, while on-peak capacity factors ranged generally between 62% and 84%. Moreover, total capacity factors for these units ranged from approximately 20% to 47%, far from the 100% referred to by the Company. Thus, information sufficient to warn Virginia Power that the Schedule's rate design was attracting "peak-only" Schedule 19 operators was certainly available.

[11] There is no necessity for a mutual meeting of the minds, as is true in general contract law. The voluntary consent or willingness of the utility to enter into such an arrangement is not a prerequisite; the utility has an obligation to purchase, imposed by federal law. Snow Mountain Pine Co. v. Maudlin, 84 Or. App. 590, 598-599, 734 P.2d 1366, 1370 (1987).

[12] See, e.g., Virginia Power, Post-Hearing Brief at 22:

> Unless and until a potential QF developer commits to sell energy or capacity to a utility, it has no legal right to any particular avoided cost rate under PURPA. Quite simply, a QF's right to a particular avoided cost rate does not arise until the date on which it incurs a "legally enforceable obligation" to deliver electricity over a specified term.
>
> The logic of this requirement is unassailable. When a QF decides to commit to sell power to a utility, it cannot reach back in time and choose a prior avoided cost which would provide it with the greatest profit -- instead, the QF is entitled only to the avoided costs existing at the time the QF makes it commitment.

(citations omitted)

[13] "[The Company's] sample contract . . . was subject later to acceptance by the Company if ever completed and submitted [by the developer]." Id. at 25.

[14] Apparently, QFs who had "offers pending before Virginia Power may execute contracts [up to 3,000 kW] with the Refund Formula . . .." despite the fact that the applicability of Schedule 19 has been restricted to 100 kW or less for all others. No logic for this exception is suggested; under PURPA, these QFs were either entitled to Schedule 19 as it existed before October 30, 1992, or they were not.

[15] Tr. at 202-03. If the Company is correct and it could have refused to sign the Virginia Cogen contracts, should the ratepayers be required to fund the excessive costs which, according to Virginia Power, these voluntary contracts will impose?

[16] Indeed, if the Company is correct, it may be subject to charges of imprudence if it agrees to contracts of more than a year in length.

[17]Attachment B to Schedule 19, which contains a listing of levelized capacity payments, by length of contract, from one to 30 years, awards zero value to a plant coming on line in 1992 under a one-year contract. Even a plant coming on line in 1995 with a one-year contract receives only 0.248¢/kWh under the Schedule. By contrast, a plant beginning operations in 1992 under a 30-year contract would receive 9.558¢/kWh.

[18]Does this principle mean that a utility must purchase capacity for 150 years if a QF makes it available? Certainly not. The goal of PURPA was to allow QF plants to substitute for utility generation or purchased power contracts. Thus, a utility is obligated to accept capacity of such duration as its own industry typically employs.

[19]FERC's summary of its rules states

> These rules provide that electric utilities must purchase electric energy and capacity made available by qualifying cogenerators and small power producers at a rate reflecting the cost that the purchasing utility can avoid as a result of obtaining energy and capacity from these sources, rather than generating an equivalent amount of energy itself or purchasing the energy or capacity from other suppliers.

45 Fed. Reg. 12,215 (1980).

[20]Tr. at 139.

[21]The FERC staff report, issued in 1979 prior to adoption of the rules, was prescient on this point. It noted that the "incremental cost to the electric utility of alternative electric energy," as used in PURPA:

> would, where capacity is purchased or installed, include a capacity cost. If a cogenerator were offering energy of a like reliability for a similar term, the alternative cost would clearly not be limited to, for example, the energy component of the alternative rate where the alternative is a firm or unit purchase. Indeed, one can well argue that to pay the QF a price based only on displaced energy costs where another utility would receive a capacity payment as well for the same service is discriminatory in violation of the statute.

(Emphasis supplied)

44 Fed. Reg. 38,869 (1979).

[22]As noted earlier, two contracts with Virginia Cogen were signed in July, after the Company had decided to stop dealing with other QFs similarly situated.

[23]Tr. at 151-52.

[24]Section 292.304(e) states that one of the factors which must be taken into account in setting rates is: "(2)(iii) . . . the duration of the obligation . . .." If contracts need be no longer than a year, the effect on rates of contract duration would be trivial or non-existent.

[25]Protection for the Company may, however, be found in the "regulatory out clause" as noted by the majority. It appears from the record that some protestants, at least those who tendered signed contracts to the utility, accepted such clauses. Such a clause might shift the resulting burden from both ratepayers, and the Company, to the QFs.

The majority uses the regulatory out clause as another rationale for its support of the Company, arguing that even if the Company were required to sign the QF contracts, excessive costs could be subject to disallowance, which could ultimately impact the developer. Based in part on this point, the majority concludes that the "most effective" solution is to impose the Refund Formula on all tendered contracts not yet signed by the utility. This rationale assumes a great deal which is not known about the costs, the utility's prudence and the impact of the regulatory out clause. Moreover, the fact that a QF agreed to a regulatory out clause cannot be rationally used to support the conclusion that the QF is not entitled to the contract of which the clause was a part. The majority's view of what is "most effective" violates federal law.

CASE NO. PUE920060
MARCH 11, 1993

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For review of Schedule 19 1992/1993 charges and payments to cogenerators and small power producers

ERRATUM ORDER

Upon review of our Final Order of February 17, 1993, in this proceeding, the Commission has found an error in ordering paragraph (4) ordering Virginia Power to file any proposed revisions in payments, terms, and conditions for power purchases from small qualifying facilities on or before March 31, 1993. That paragraph now directs Virginia Power to incorporate the impact of its 1992 Resource Plan. The order should have required Virginia Power to incorporate the impact of its 1993 Resource Plan in this filing. On its own motion, the Commission ORDERS that Virginia Power file on or about March 31, 1993, any proposed revisions to the payments, terms, and conditions for power purchases from sma qualifying facilities incorporating the impact of its 1993 Resource Plan.

CASE NO. PUE920063
OCTOBER 7, 1993

APPLICATION OF
NEW RIVER WATER COMPANY

For a certificate of public convenience and necessity

FINAL ORDER

On September 8, 1992, New River Water Company ("New River" or "Company") filed an application with the Commission requesting a certificate of public convenience and necessity. In its application, Company requested authority to provide water service to customers located in 14 subdivisions of Wythe, Pulaski, Montgomery, Carroll and Rockbridge Counties in Virginia. New River also requested approval of its current tariff.

Company's water rates and charges are as follows:

A monthly flat rate of $27.50 with service pro-rated at .85¢ per day.

An availability fee of $100.00 per year for residential lots which do not receive water service but where service is available upon request.

Company proposed a $50.00 charge to turn on water service where such service has been disconnected for non-payment of bills or for violation of Company's rules and regulations of service. In addition, Company also proposed to charge a customer deposit not to exceed the estimated bill for two months' usage and a bad-check charge of $15.00.

On October 19, 1992, the Commission issued an Order Inviting Written Comments and Requests for Hearing. In that Order, the Commission directed Staff to analyze and investigate the application and to file a report detailing its findings and recommendations on or before January 29, 1993. The Commission also directed that any person desiring a hearing in the matter should file a written request on or before December 21, 1992.

Staff filed its report on January 28, 1993. In its report, Staff recommended that the Commission schedule a hearing in the matter. Staff noted that, by December 21, 1992, it had received 21 written requests for hearing on Company's application. These requests complained of poor water service and excessive rates.

By Order dated February 8, 1993, the Commission set the matter for hearing on May 25, 1993. In that Order, the Commission established a procedural schedule for the filing of testimony and exhibits.

On the appointed day, the matter came to be heard before Hearing Examiner Howard P. Anderson, Jr. Counsel appearing were Eric M. Page for the Company and Marta B. Curtis for the Commission Staff. There were no public witnesses at the hearing. Company presented proof of notice of publication at the beginning of the hearing.

There was no opposition to New River being awarded a certificate of public convenience and necessity. Staff supported granting New River a certificate as did the Board of Supervisors for the five counties affected by the application.

Company's President, Frances W. Allen, Jr., addressed customer complaints regarding the quality of Company's water service, water outages, the taste of chlorine, water hardness, and particles in the water. Mr. Allen testified that temporary water outages were necessary to allow repair work and that other outages were infrequent as Company was quick to respond and restore full service. As to the taste of chlorine, Mr. Allen testified that the regulations require Company to maintain minimum chlorine residual and that persons who are unfamiliar with the taste of chlorinated, disinfected water may find it objectionable. Relative to complaints of water hardness, both Company and Staff agreed that the cost of solving this problem would be prohibitive. Company's investigation of the problem associated with particles in the water revealed that it was related to water hardness and calcium in the water. Mr. Allen noted that once the customer's water line was flushed, there was no further complaint of such particles.

Staff has investigated the quality of service problems and found the water system in good condition and found Company's operator knowledgeable and cooperative. Staff found that, although Company is still upgrading and repairing problems in some of its systems, the quality of water has improved. Staff concluded that, although there is still room for improvement, the overall quality of service currently provided by Company is both adequate and reliable.

Accounting issues remained in controversy between Company and Staff at the time of the hearing which affected the appropriate level of Company's revenue requirement. They were adjustments for vacant properties, uncollectible expense, the appropriate number of Company's customers, expense associated with Company's salary increase and the Company's bad check charge. Certain changes included in Company's rules and regulations of service were also contested.

On August 4, 1993, the Hearing Examiner filed his Report. In his Report, he found that:

1. The Company should be granted a certificate of public convenience and necessity to provide water service in the Counties of Carroll, Montgomery, Pulaski, Rockbridge, and Wythe;

2. The use of a test year ending May 31, 1992, is proper in this proceeding;

3. The Staff's accounting adjustments, as modified herein, are just and reasonable and should be accepted;

4. The Company's test year operating revenues, after all adjustments, were $86,700;

5. The Company's test year total operating expenses, after all adjustments, were $76,009;

6. The Company's test year net loss, after all adjustments, was $628;

7. The Company's rates prior to this request produced a return on adjusted end of test period rate base of 8.91 %;

8. The Company's overall adjusted end of test period rate base is $120,051;

9. The Company requires additional gross annual revenues of $3,156 to earn a return on rate base of 11.45 %; and

10. A flat rate of $26 per month is reasonable.

The Examiner recommended that the Commission enter an order that adopts the findings in his Report, grants the Company a certificate of public convenience and necessity and an increase in gross annual revenues of $3,156 and dismisses the case from the Commission's docket of active cases passing the papers to the file for ended causes. He decided the issues in controversy about which we comment briefly.

We agree with the Examiner that Company's adjustment to revenues associated with vacant properties is not proper, as this adjustment, combined with an availability fee, could provide a means for double recovery of Company's costs. The Examiner properly accepted Company's uncollectible expense and Company's determination of the number of New River customers. Similarly, New River's salary expense is reasonable as it relates to an increase that took effect during the test year. As the Examiner noted, Staff subsequently accepted Company's adjustment to salary expense. In addition, we agree with the Examiner's determination that a $12 bad-check charge is proper in this proceeding since Company has proven that such a charge is cost based.

NOW THE COMMISSION, upon consideration of the record developed herein and the Examiner's Report, is of the opinion and finds that the findings and recommendations of the Examiner are reasonable and should be adopted. Accordingly,

IT IS ORDERED:

(1) That the findings and recommendations of the Hearing Examiner are hereby adopted;

(2) That the Company shall be granted a Certificate No. W-273;

(3) That Company is hereby granted an increase in gross annual revenues of $3,156 with a flat rate of $26 per month; and

(4) That there being nothing further to be done, this case shall be dismissed from the Commission's docket of active cases and the papers passed to the file for ended causes.

CASE NO. PUE920064
FEBRUARY 12, 1993

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 § 1671 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 Virginia Code § 56-5.1, which allows the Commission to fine such sums not to exceed the fines and penalties specified by § 11(a)(1) of the Act.

The Commission's Division of Energy Regulation ("Division"), charged with the investigation of each jurisdictional Company's compliance with the Safety Standards, has conducted an investigation of Virginia Natural Gas, Inc. ("VNG") the Defendant, and alleges:

(1) That VNG is a public service corporation as that term is defined in Virginia Code § 56-1, and, specifically a natural gas company within the meaning of Virginia Code §56-5.1; and

(2) That between March 17, 1992, and May 27, 1992, VNG violated various sections of 49 C.F.R. Part 192 by the following conduct:

(a) Failing to properly document odorant level at a propane system;

(b) Failing to conduct the required inspection of certain critical valves within a fifteen-month interval;

(c) Failing on certain occasions to visually inspect welding operations; and

(d) Failing to follow the appropriate welding procedures on certain occasions.

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 VNG represents and undertakes that:

(1) The Company will pay a fine to the Commonwealth of Virginia in the amount of $12,500 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; and

(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 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 after the investigation, 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 Virginia Code § 12.1-15, the offer of compromise and settlement made by VNG be, and it hereby is, accepted;

(2) That pursuant to Virginia Code § 56-5.1, VNG be and it hereby is, fined in the amount of $12,500;

(3) That the sum of $12,500 tendered contemporaneously with the entry of this order is accepted; and

(4) That this case is dismissed and the papers herein be placed in the file for ended causes.

CASE NO. PUE920065
FEBRUARY 2, 1993

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
WASHINGTON GAS LIGHT COMPANY,
Defendant

ORDER OF SETTLEMENT

The Natural Gas Pipeline Safety Act, 49 USC § 1671 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 Virginia Code § 56-5.1, which allows the Commission to fine up to $10,000 a day for each violation with a maximum fine of no more than $500,000 for any related series of violations.

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 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 Virginia Code § 56-1, and, specifically a natural gas company within the meaning of Virginia Code § 56-5.1; and

(2) That on May 5, September 10, September 29, and November 19, 1992 WG violated various subparts of 49 C.F.R. Part 192 by the following conduct:

(a) Failing on certain occasions to follow written procedures regarding butt fusion of plastic piping;

(b) Failing on certain occasions to inspect plastic butt fusion joints for compliance with WG's written procedures;

(c) Failing on one occasion to properly prepare pipe surface before applying coating; and

(d) Failing on certain occasions to set automatic shut-off devices at the proper pressure.

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 $6,500 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; and

(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 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, 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 WG be, and it hereby is, accepted;

(2) That pursuant to Virginia Code § 56-5.1, WG be and it hereby is, fined in the amount of $6,500;

(3) That the sum of $6,500 tendered contemporaneously with the entry of this Order is accepted; and

(4) That this case is dismissed and the papers herein be placed in the file for ended causes.

CASE NO. PUE920067
JULY 1, 1993

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION

Ex Parte, in re: Investigation into the promulgation of standards and regulations for energy allocation equipment

FINAL ORDER

On September 28, 1992, the State Corporation Commission entered an Order directing its Staff to conduct a general investigation into the standards and regulations for energy allocation equipment, pursuant to the directive of Code of Virginia § 56-245.3. The Staff's Report was filed on December 11, 1992.

Thereafter, on January 7, 1993, the Commission, by Order, directed the Staff to publish notice of the contents of its report, which proposed certain amendments and additions to the Commission's Rules for Submetering Electricity and Natural Gas, and established a period for the receipt of public comment and requests for hearing on the proposed rules amendments.

The Commission received comments from three parties - The National Utilities Allocation Association, the Apartment and Office Building Association of Metropolitan Washington, and the American Federation of State, County, and Municipal Employees - suggesting minor revisions to the rules proposed by the Commission Staff. No party asked for public hearing. As noted with particularity below, the Commission has decided to adopt a limited number of revisions, certain of which were proposed by the parties.

In Section I, DEFINITIONS, Subsection 22, the definition of "Owner" has been expanded to include owners, operators, or managers of buildings in which energy allocation equipment is utilized.

In Section IX, BILLING, Subsection 1., the Commission will permit bills to be calculated and rendered no later than fifteen (15) days after receipt of the utility's bill, rather than the ten (10) day limitation proposed by the Staff.

Section IX, BILLING, Subsection 6.e., will be modified to read, in its entirety, "The name or address, or both, of the tenant to whom the bill is applicable."

Finally, Section IX, BILLING, Subsection 4, will be modified to read, in its entirety, "The owner shall render bills to the tenant in the same energy unit(s) as billed the owner by the utility."

In Section X, BILLING RECORDS, Subsection 1., records associated with the computation of charges to tenants must be maintained "for a minimum period of three (3) years[,]" instead of the proposed period of five (5) years. Correspondingly, in Subsection 2. of that Section, owners shall maintain and make available for tenants' inspection those records designated in subparts a. - c., for "the current month and the thirty-six (36) preceding months[,]" instead of the twenty-four (24) month period originally proposed.

Section XII, COMMISSION AUTHORITY, Subsection 1., is amended to place the burden of proof on any movant "to demonstrate, by clear and convincing evidence," rather than by clear and compelling evidence, why any requested exemption should be granted. Finally, Subsection 2., of that Section, is amended to read, in its entirety, as follows:

> 2. Nothing in the provisions of these rules shall preclude the Commission from investigating, formally or informally, a submetering or energy allocation activity. If the activity is found to be adverse to the public interest, the Commission may, by order, require the modification or elimination of the activity.

The Commission will also at this time correct certain typographical errors in the promulgation of the proposed rules. First, in Section I, DEFINITIONS, Subsection 5, the word "and" shall be corrected to read "an." In Section IX, BILLING, Subsection 8, Subpart "d." shall be corrected to read "c." Finally, in that same Section, Subsection 9, subpart c. is corrected to read, in its entirety, as follows:

> c. The utility adjusts the owner's bill.
>
> d. Or as detailed in Section IV - Submetering.

This last correction returns the original meaning to two subparts inadvertently garbled together in an earlier promulgation of these rules. In all other respects, the "Rules for Electricity and Natural Gas Submetering and for Energy Allocation Equipment," as proposed by the Staff of the State Corporation Commission on December 11, 1992, are reasonable and appropriate.

Accordingly, IT IS ORDERED:

(1) That the rules appended hereto as Attachment I are hereby adopted;

(2) That the adopted rules, appended hereto as Attachment I, be published in the Virginia Register in accordance with Virginia Code § 9-6.18; and

(3) That there being nothing further to come before the Commission in this proceeding, this case shall be removed from the docket and the matter placed in the file for ended causes.

NOTE: A copy of the Regulation entitled "Rules for Electricity and Natural Gas Submetering and for Energy Allocation Equipment" 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. PUE920069
DECEMBER 22, 1993

APPLICATION OF
COMMONWEALTH UTILITIES, INC.

For a certificate of public convenience and necessity

ORDER GRANTING CERTIFICATE AND DIRECTING FURTHER NOTICE

On September 30, 1992, Commonwealth Utilities, Inc. ("Commonwealth" or "Company") filed an application for a certificate of public convenience and necessity. In its application, Company requested authority to provide water service to approximately 82 customers in a development known as Fairview Acres. Fairview Acres is located in Culpeper County, Virginia, and includes a subdivision known as Fairview Estates.

Company also requested approval of the following tariff:

1. Service Connections:

   a. 3/4-inch service connection $300.00
   b. Service connection over 3/4-inch . . actual cost to Company but in no event less than that for 3/4-inch connection

2. Water Rates:

Gallons per month

Gallons	Unit	Rate
0 to 2,000	minimum	$7.32
2,001 through 25,000	per 1,000 gallons	$3.66
25,001 through 100,000	per 1,000 gallons	$2.93
100,001 - up	per 1,000 gallons	$2.16

3. Minimum Charge:

There shall be a monthly minimum service charge of $7.32 per month for water service and no bill will be rendered for less than the minimum charge. This minimum charge shall become effective when water service is connected to the lot.

Bills for water service shall be rendered monthly in arrears. Company will charge a customer deposit not to exceed customer's liability for two months' usage. Company also proposes to charge a $100.00 fee to turn on water that has been disconnected for nonpayment of a bill or for violation of Company's rules and regulations of service. In addition, Commonwealth proposes a bad check charge of $6.00 and a late payment fee of 1 1/2% per month on all past due balances.

On December 14, 1992, the Commission issued an Order Inviting Written Comments and Requests for Hearing. In that order the Commission directed Commonwealth to give its customers notice of its application and to provide interested persons with an opportunity to comment and/or request a hearing on or before January 17, 1993. The Commission also directed its Staff to review and analyze Commonwealth's application and to file a report detailing its findings and recommendations on or before February 19, 1993.

On February 19, 1993, Staff filed that report. In its report, Staff noted that, as of that date, there were no comments or requests for hearing.

Staff recommended that Commonwealth be granted a certificate of public convenience and necessity to provide water service to customers in the Fairview Acres development, including those customers in Fairview Estates. Staff stated that Company was in the process of purchasing an additional system in the Clairmont subdivision and that Company was currently providing water service to approximately 8 of the residents therein.

Staff found that Company's water rates were reasonable. Staff supported the charges associated with customer deposits, bad checks, and late payment fees. Staff did not, however, support Company's turn-on charge, as Company was unable to provide Staff with data to support such a charge. Therefore, Staff recommended, based on its review of similarly situated water companies, that Commonwealth's $100.00 turn-on charge be reduced to $30.00.

Staff also recommended that Company maintain its books in accordance with the Uniform System of Accounts for Class C Water and Sewer Utilities as required by the Commission's Final Order in Commonwealth of Virginia, ex rel. State Corporation Commission, Ex Parte: In the matter of the rules implementing the Small Water and Sewer Public Utility Act, Case No. PUE870037 ("Rules"). Consistent with the Commission's Rules, Staff recommended that Company reclassify its books to reflect a 3% composite depreciation factor. Staff stated that Company should also book an entry to adjust accumulated depreciation at the 3% level for the period ending December 31, 1992.

NOW THE COMMISSION, having considered the application and the record developed herein, is of the opinion that it is in the public interest for the Company to be granted a certificate of public convenience and necessity. The Commission is also of the opinion that Company's rates and charges, as modified herein, are reasonable and should be approved and that Staff's booking recommendations should also be adopted.

It is the Commission's further opinion, pursuant to Virginia Code § 56-265.1(b) and § 56-265.3, that Company should amend its application to include in its authorized service territory those customers in the Clairmont subdivision to whom it is currently providing water service. Moreover, such customers should be notified of Company's amended application and should have an opportunity to comment and/or request a hearing. Accordingly,

IT IS ORDERED:

(1) That Commonwealth Utilities, Inc. be, and hereby is, granted Certificate No. W-274 to provide water service to customers in the Fairview Acres development, including those customers in Fairview Estates;

(2) That Company shall submit to the Commission's Division of Energy Regulation maps detailing only the above referenced service territory;

(3) That Company's proposed tariff, as modified herein, be and hereby is approved;

(4) That Company's turn-on charge shall be reduced from $100.00 to $30.00;

(5) That Company shall keep its books and records in accordance with Staff's recommendations referenced herein;

(6) That, on or before February 1, 1994, Company shall mail the following notice (bill inserts are acceptable) to all of its customers in the Clairmont subdivision of Culpeper County:

NOTICE OF AMENDED APPLICATION OF
COMMONWEALTH UTILITIES, INC.,
FOR A CERTIFICATE OF PUBLIC
CONVENIENCE AND NECESSITY
CASE NO. PUE920069

Notice is hereby given that Commonwealth Utilities, Inc. ("Commonwealth" or "Company") has been granted a certificate of public convenience and necessity to provide water service to customers in the Fairview Acres development, including those customers in Fairview Estates. Company requests authority to include in its authorized service territory approximately 8 customers in an area known as Clairmont subdivision. In its amended application, the Company requests approval of its tariff as follows:

1. Service Connections:

a. 3/4-inch service connection $300.00
b. Service connection over 3/4-inch .. actual cost of company but in no event less than that for 3/4-inch connection

2. Water Rates:

Gallons per month

Gallons	Unit	Rate
0 to 2,000	minimum	$7.32
2,001 through 25,000	per 1,000 gallons	$3.66
25,001 through 100,000	per 1,000 gallons	$2.93
100,001 up	per 1,000 gallons	$2.16

3. Minimum Charge:

There shall be a monthly minimum service charge of $7.32 per month for water service, and no bill will be rendered for less than the minimum charge. This minimum charge shall become effective when water service is connected to the lot.

Bills for water service shall be rendered monthly in arrears. Company will charge a customer deposit not to exceed a customer's liability for two months' usage. Company also proposes to charge a $30.00 fee to turn on water that has been disconnected for nonpayment of a bill or for violation of Company's rules and regulations of service. In addition, Commonwealth has a bad check charge of $6.00 and a late payment fee of 1 1/2% per month on all past due balances.

A copy of the application is available for public inspection at the office of Environmental System Services located at 218 North Main Street, Culpeper, Virginia 22701, during the hours of 9:00 a.m. to 5:00 p.m. Monday through Friday. The application is also available for public inspection, Monday through Friday, 8:15 a.m. to 5:00 p.m. at the State Corporation Commission, Document Control Center, First Floor, Tyler Building, 1300 East Main Street, Richmond, Virginia.

Any person desiring to comment in writing on Commonwealth's amended application or request a hearing may do so by directing such comments or requests on or before February 19, 1994, to the Clerk of the Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23216 and shall refer to Case No. PUE920069. On or before February 19, 1994, a copy of the comments or requests for hearing must also be sent to the Company as follows: Mr. W. R. Jebson, Jr., President, Commonwealth Utilities, Inc., P.O. Box 520, Culpeper, Virginia 22701.

If no requests for hearing are received, a formal hearing with oral testimony may not be held and the Commission may make its decision based upon papers filed in this proceeding.

COMMONWEALTH UTILITIES, INC.

(7) That the Company forthwith serve a copy of this order on the chairman of the Board of Supervisors of any county and upon the mayor or manager of any county, city, or town or equivalent officials in counties, towns, and cities having alternate forms of government lying within Company's service area. Service shall be made by first-class mail or delivery to the customary place of business or residence of the person served;

(8) That, on or before March 1, 1994, the Company shall provide the Commission with proof of notice required in ordering paragraphs (6) and (7); and

(9) That this proceeding shall be continued pending further order of the Commission.

CASE NO. PUE920070
AUGUST 24, 1993

APPLICATION OF
DELANEY DRIVE WATER CO., INC.

For a certificate of public convenience and necessity

FINAL ORDER

On February 23, 1993, Delaney Drive Water Company, Inc. ("Delaney Drive" or "Company") completed its application for a certificate of public convenience filed with the Commission on October 2, 1992. In its completed application, Company requested authority to provide water service to approximately 232 customers in a subdivision known as Oak Ridge in Suffolk, Virginia. Company also requested approval of its tariff as clarified by Company in a revision filed on March 9, 1993. Company's proposed tariff, as revised, is as follows:

Water Rates

1. Service Connections:
   3/4-inch service connection . . . $600.00

2. Metered Rates:
   Bi-monthly for 8,000 gallons . . . $26.00
   $1.50 per 1,000 gallons for usage in excess of 8,000 gallons bi-monthly

3. There shall be a bi-monthly minimum service charge of $26.00 for water service and no bill will be rendered for less than the minimum charge. The minimum bi-monthly service charge shall become effective when the water service is connected to the lot.

Bills for water service are rendered in arrears.

Company proposed to include in its rules and regulations of service a $25 turn-on charge. The turn-on charge is to restore water service for non-payment of any bill or for violation of Company's rules and regulations of service. The turn-on charge, together with any unpaid balance, must be paid before water service can be restored. Company also proposed a $6 bad check charge and a 1 1/2% late payment fee on past due balances.

On March 25, 1993, the Commission issued an Order Inviting Written Comments and Requests for Hearing. In that Order, the Commission directed interested persons to file with the Commission any written comments or requests for hearing on or before June 1, 1993. The Commission also directed Staff to review Delaney's application and to submit a report detailing its findings and recommendations on or before July 9, 1993.

On July 9, 1993, Staff filed that report. In its report, Staff noted that there had been no written comments or requests for hearing. Staff recommended that Company be granted a certificate of public convenience and necessity and recommended approval of Company's rates, rules and regulations of service.

In its report, Staff stated that Company's rates were not excessive. Staff specifically stated that Company's net operating income, after Staff's adjustments, was $6,370 with a 27.21% return on rate base. Staff noted that Company's return on rate base appeared high but stated that this was only one factor in Staff's determination of reasonable rates. Other factors include Company's service record, the quality of service at relatively low rates and Company's adjusted net operating income. Staff also noted that Delaney's return on rate base appeared high because Staff was unable to verify the original cost of plant because such information was not available.

Staff also made certain booking recommendations and suggested certain reporting requirements. Staff recommended that the Commission order Delaney to keep its records in accordance with the Uniform System of Accounts for Class C Water Utilities. Staff also recommended that Company be ordered to book certain accounting items in accordance with Staff's accounting adjustments. Specifically, these adjustments relate to booking depreciation expense at the 3% composite rate and booking the adjustment to restate utility plant in service. Staff recommended that Delaney be ordered to book deferred taxes effective January 1, 1993. Staff also recommended that Company keep records of the time its employees spend in performing utility related work and keep a log of its business mileage. Further, Staff recommended that Delaney be required to file in the Commission's Division of Public Utility Accounting a financial and operating report commencing with the 1993 calendar year.

Accordingly,

IT IS ORDERED:

(1) That Company be and hereby is granted Certificate No. W-272;

(2) That Company's tariff be and hereby is approved;

(3) That Company shall keep its books in accordance with the Uniform System of Accounts for Class C Water Utilities;

(4) That Company shall book certain accounting items consistent with Staff's recommendations referenced herein;

(5) That Company shall comply with the filing requirements consistent with Staff's recommendations referenced herein; and

(6) There being nothing further to be done, this matter be and hereby is dismissed.

CASE NO. PUE920072
MARCH 4, 1993

APPLICATION OF
APPALACHIAN POWER COMPANY

For approval of Experimental Demand Side Management Programs and Residential Rate Design Experiment

ORDER AUTHORIZING EXPERIMENTAL PROGRAMS

On October 15, 1992, Appalachian Power Company ("Appalachian" or "Company") filed an application requesting approval of six demand side management ("DSM") pilot programs, one of which was designated as a residential rate design experiment. The programs include:

(a) Residential High Efficiency Light Bulb Program.

(b) Low Income Weatherization Program.

(c) Water Heater Wrap and Energy Saving Showerhead Installation Program.

(d) Storage Water Heater Program.

(e) Mobile Home Heating System Upgrade Program.

(f) Commercial and Industrial Fluorescent Lighting Upgrade Program.

On November 10, 1992, the Commission entered an order requiring the Company to publish notice of its application and granting interested parties the opportunity to comment and, additionally, the opportunity to request hearing on Appalachian's application. The Commission received comments from a group of gas distribution companies and from the Southern Environmental Law Center ("SELC"). The SELC, as well as the Citizens for ARCS and Citizens for the Preservation of Craig County (the "Citizen Groups"), also requested hearing on the application. Finally, Commonwealth Gas Services ("CGS"), a party to the joint comments of the gas distribution group, was permitted to submit certain additional comments two days out of time. CGS also requested a hearing on the application.

In general, the comments received from the gas distribution companies identified their concerns with the implementation of the DSM programs as proposed by Appalachian. These companies assert that "[n]atural gas and propane are superior methods of home and hot water heating" and that various Company proposals should be modified to permit customers the opportunity to utilize these fuels. In particular, the gas companies suggest modification of the Mobile Home Heating System Upgrade Program, in which Appalachian proposes to offer, in its Abingdon district, up to $700 toward the installation cost of high efficiency heat pumps in up to 375 mobile homes currently using electric heat. The gas companies propose that Appalachian give customers information on, and the opportunity to apply the $700 stipend toward, "alternative methods of mobile home heating," presumably natural gas or propane applications.

Comments received from SELC generally support Appalachian's proposed programs but suggest that the programs should be expanded from pilot to full-scale status. SELC also suggests certain technical modifications to various individual programs. Finally, the Citizen Groups, without citing grounds, requested hearings but filed no comments on any of the proposed programs.

On December 4, 1992, Appalachian filed an application for a general increase in its electric rates. This matter has been docketed as Case No. PUE920081, and is set for hearing on May 18, 1993. Included in this application is a tariff associated with the Storage Water Heater Program residential rate design experiment and a request to implement a mechanism to recover the costs of the remaining experimental DSM pilot programs.

On January 21, 1993, the Commission Staff ("Staff") filed its report recommending approval of the various programs. Staff "supports the practice of developing experimental or pilot programs prior to full scale implementation of DSM programs." Staff also suggests that the Storage Water Heater Program be limited to 200 customers, rather than the 500 customer limit requested by the Company.

The Commission, having considered the application and supporting information, the comments and pleadings of the parties, the report of its Staff, and the applicable statutes and rules, finds that implementation of the experimental pilot DSM programs, exclusive of the Storage Water Heater Program, is in the public interest. The Commission further finds that the Company should conduct the programs for a period of 12 months from inception, subject to the limits on customers proposed by Appalachian. The Commission is not convinced from the record that a public hearing on these five experimental DSM programs is necessary in this matter. At the conclusion of the initial trial period, the Commission will consider, upon a showing of good cause, permitting the extension of any or all of the programs during the period necessary for the Company to evaluate the effectiveness of the program.

As does its Staff, the Commission supports the implementation of experimental pilot programs designed to generate information on the usefulness and acceptance of DSM programs prior to full-scale implementation of such programs in Virginia, as suggested by SELC.

Of the five experimental pilot programs being approved herein, only one, the Mobile Home Heating System Upgrade Program, could be considered a competitive threat to natural gas service. Since this program replaces an existing electric furnace with a more efficient electric heat

pump there is no real potential for fuel switching. In addition, this program would be available to only a limited number of customers in the Abingdon division.

With reference to the gas companies' suggestion that Appalachian be required to provide information to its customers on the benefits of natural gas, the Commission notes that gas utilities have marketing departments that perform this function.

The remaining proposed program, the Storage Water Heater Program, is a residential rate design experiment. It is not necessary to schedule a separate hearing on this proposal when it can and will be considered in the context of Case No. PUE920081, Appalachian's general rate case. The parties are invited to participate as their interests dictate in that proceeding.

Accordingly, IT IS ORDERED:

(1) That Appalachian's application to implement the five experimental pilot DSM programs (the Residential High Efficiency Light Bulb, Low Income Weatherization, Water Heater Wrap and Energy Saving Showerhead Installation, Mobile Home Heating System Upgrade, and Commercial and Industrial Fluorescent Lighting Upgrade Programs) is approved for a period of 12 months, subject to the limits on the number of customers proposed by the Company;

(2) That Appalachian's residential rate design experiment, the Storage Water Heater Program, will be considered as an issue in Case No. PUE920081, Appalachian's general rate case;

(3) That, within 12 months from the conclusion of the programs approved herein, Appalachian shall file its analyses of the programs with the Commission; and

(4) That this matter shall be continued generally pending receipt of the subject program analyses and until further order of the Commission.

CASE NO. PUE920077
MARCH 4, 1993

APPLICATION OF
THE POTOMAC EDISON COMPANY

To revise its fuel factor and cogeneration tariff pursuant to Va. Code § 56-249.6 and PURPA Section 210

ORDER ESTABLISHING 1993-94 COGENERATION RATE

On October 16, 1992, The Potomac Edison Company ("Potomac Edison" or "Company") filed an application with the Commission requesting an increase in its zero based fuel factor and a reduction in the rates it pays under Schedule CO-G for purchases of electricity from cogenerators and small power producers. Schedule CO-G is available for power supplied to the Company under contracts for 1,000 kw or less. In particular, the Company proposes to reduce its on-peak energy rate from 2.239¢ to 2.037¢ per kwh; to reduce the off-peak energy rate from 1.924¢ to 1.803¢ per kwh; and to reduce the weighted average energy rate applicable to non-time differentiated energy purchases from 2.121¢ to 1.928¢ per kwh. In addition the Company filed revised energy payments for the thirty-year period ending 2021 and for those cogenerators and small power producers who enter into long-term power supply contracts with Potomac Edison. The Company also proposed revision to its on-peak hours under Schedule CO-G.

By order dated October 29, 1992, the Commission scheduled a public hearing on the application and established a procedural schedule for the filing of pleadings, prepared testimony and exhibits. On November 12, 1992, the Commission Staff filed a motion requesting that Potomac's proposed fuel factor and cogeneration tariff be bifurcated so the Staff would have additional time to review the Company's revisions to its cogeneration tariff. By order dated November 25, 1992, the Commission granted Staff's motion and established a separate docket to review the Company's revisions to its cogeneration tariff. The November 25, 1992 Order scheduled a hearing on February 8, 1993, before a Commission Hearing Examiner to review the proposed cogeneration tariff and established new filing dates for the Staff's direct testimony and the Company's rebuttal.

On December 1, 1992, the Commission Staff filed its Report. With respect to the Company's proposed energy rates, Staff recommended that the Company's proposed 15% societal adder be removed.

With respect to the Company's proposed capacity rates, Staff noted that the proposed capacity rate is loosely based on the Allegheny Power System's short-term capacity revenues for sales to nonaffiliated companies. Furthermore, capacity payments are made only when the Company requests power from a cogenerator or small power producer. Staff had several concerns with the Company's method of developing its capacity payments, specifically (1) the development of the energy and capacity payments are totally unrelated under the Company's approach; (2) the capacity payments are made entirely at the Company's discretion; and (3) the capacity payments may not reflect the Company's actual avoided costs. Accordingly, Staff recommended that the Company be directed to reexamine its approach used to calculate avoided energy and capacity prices, to develop fixed capacity payments based on its own avoided costs, and to present its findings in its next cogeneration case. This approach would link the development of the Company's energy and capacity rates and would promote a more accurate picture of the Company's true avoided costs.

The Staff further recommended that the Company reevaluate its practice of allowing cogenerators and small power producers to "lock-in" fixed energy payments for periods up to thirty years, exposing both ratepayers and the qualifying facilities to unnecessary risks as projected energy

costs rarely prove accurate. Staff noted that Virginia Power has minimized this risk by "locking in" the projected avoided fuel mix over the forecast period and by periodically updating the avoided energy costs to reflect actual fuel costs.

Staff, in its Report, also addressed Potomac Edison's proposed revision to the Company's on-peak hours. As the proposed six-day on-peak period is consistent with the loads on the Allegheny Power and Potomac Edison Systems, Staff raised no objection.

The Company did not file any rebuttal testimony opposing the Staff's Report.

The hearing in this case was held on February 8, 1993. At the hearing, the Company tendered its proof of notice and the Company's application, prefiled testimony and exhibits and Staff's report were admitted into the record without need for cross examination.

On February 8, 1993, the Hearing Examiner issued his report finding that:

(1) The Company's proposed Schedule CO-G is just and reasonable, provided the schedule's energy payments are revised to eliminate the 15% adder for societal benefits;

(2) The Company should develop fixed capacity payments for review in its next cogeneration case; and

(3) The Company should reexamine that portion of Schedule CO-G which allows cogenerators and small power producers to lock in energy payments for periods up to thirty years, and present in its next cogeneration case any alternate proposals designed to mitigate the risk associated with unreliable energy cost projections.

On February 19, 1993, Potomac Edison filed its exceptions to the Hearing Examiner's Report, wherein the Company clarified its position regarding Staff's recommendations. Potomac Edison stated that it has agreed to review the issues raised by Staff when preparing and filing its next revision to its cogeneration rate tariff. Potomac Edison stated that the Company will submit a revised capacity rate which will address the concerns raised by Staff in its testimony. Further, the Company stated that it will review its practice of allowing cogenerators and small power producers to "lock-in" fixed energy payments for periods of up to 30 years. However, the Company stated that its agreement to consider these issues should not be construed as its acceptance of any particular solution by Staff and that the Company reserved the right to submit in its next case its recommended approach to resolving the problems identified in Staff's testimony.

THE COMMISSION, upon consideration of this matter, is of the opinion and finds that Schedule CO-G payments should be modified as recommended by the Hearing Examiner. However, we are concerned with the inconsistencies in the Company's computation of its avoided costs as identified by Staff; therefore, we find it is in the ratepayers best interest here to reduce the applicability of Potomac Edison's Schedule CO-G to cogeneration and small power production projects with a design capacity of 100 kw or less. The Company or parties to a future case, of course, are free to reexamine the proper threshold in its next case. We are of the further opinion that the Company should develop fixed capacity payments and reexamine its practice of locking-in energy payments in its next case. Accordingly,

IT IS ORDERED:

(1) That effective April 1, 1993, the rate Potomac Edison pays cogenerators and small power producers under Schedule CO-G be applicable under contracts for 100 kw or less;

(2) That the proposed changes to Potomac Edison's Schedule CO-G, Cogeneration and Small Power Production Rates, as modified to remove the 15% societal adder, are hereby approved effective April 1, 1993;

(3) That the proposed revision to Potomac Edison's on-peak hours for Schedule CO-G is hereby approved effective April 1, 1993;

(4) That Potomac Edison should reexamine its approach used to calculate both avoided energy and capacity prices, evaluating available alternatives to modify or replace its current practices and present its recommendations in its next Schedule CO-G case;

(5) That the Company should develop fixed capacity payments based on its avoided capacity costs for review in its next cogeneration case; and

(6) That the Company should reexamine that portion of Schedule CO-G which allows cogenerators and small power producers to lock in energy payments for periods up to thirty years, and present in its next cogeneration case any alternate proposals designed to mitigate the risk associated with unreliable energy cost projections.

CASE NO. PUE920078
JANUARY 21, 1993

VIRGINIA-AMERICAN WATER COMPANY,
Petitioner,
v.
PRINCE WILLIAM COUNTY SERVICE AUTHORITY,
Defendant.

DISMISSAL ORDER

On November 30, 1992, Virginia-American Water Company (the "Company") filed a Petition for Declaratory Judgment against the Prince William County Service Authority (the "Authority"). The Authority is an instrumentality created and established under the Virginia Water and Sewer Authority Act, Title 15.1, Chapter 28, Code of Virginia, 1950, as amended. A certificate of incorporation was issued to it by the Commission on January 21, 1983. It possesses the power of eminent domain pursuant to Virginia Code § 15.1-1250(f) and operates a water system which serves a portion of Prince William County.

The Company's petition alleged that the Authority was about to begin proceedings in circuit court to condemn the properties used by the Company to provide water service in Prince William County. The Company contends that the Commission must grant permission for such a proceeding under § 25-233 of the Code of Virginia.

Subsequently, the Authority began proceedings in the Circuit Court of Prince William County to take the properties. It also moved to dismiss this proceeding arguing that §§ 15.1-1250(f), 15.1-335 and 15.1-340 exempt the Authority from the requirements of § 25-233 which are applicable to some other public service authorities. The Company filed a Response to the Authority's Motion to Dismiss on January 5, 1993. Therein, the Company asserted that the plain words of the relevant statutes clearly support the Commission's jurisdiction to review the proposed condemnation. The Company reviewed the legislative history of the applicable provisions and again asserted that every authority is required to obtain the approval of the Commission before instituting condemnation proceedings against any public service corporation.

On January 12, 1993, the Authority filed its Reply Memorandum in Support of its Motion to Dismiss. In its reply, the Authority also recited the legislative history of the applicable code sections and asserted that the language of Code § 15.1-1250(f) can only be interpreted to provide water and sewer authorities in counties like Prince William the unconditional power of eminent domain over private water companies which also possess the power of eminent domain. The Authority therefore asserted that it is not necessary for it to obtain the Commission's approval before executing its power.

The motion to dismiss is ripe for our consideration, and the Commission is of the opinion that it should be granted.

In 1963, the Virginia Supreme Court decided Board of Supervisors v. Alexandria Water Co., 204 Va. 434, 132 S.E.2d 440 (1963). As a result of the Court's decision, certain counties described in § 15.1-335 of the Code can condemn private water company facilities without Commission approval and immediately convey them to a public service authority in that same county. The statutes at the time provided, however, that no public service authority could condemn water facilities without Commission approval.

In 1970, the General Assembly amended § 15.1-1250(f) to provide that authorities are authorized to acquire water systems

> . . . provided, that in the exercise of the right of eminent domain the provisions of § 25-233 shall apply. In addition, the authority in any county or city to which §§ 15.1-335 and 15.1-340 are applicable shall have the same power of eminent domain and shall follow the same procedure thereof as provided in §§ 15.1-335 and 15.1-340 of the Code of Virginia . . . .

Virginia Code § 15.1-335 provides, in pertinent part, that

> . . . the board of supervisors of any county having a population of more than 500 per square mile . . . in addition to other powers conferred by law shall have the power to require, within or without, or partly within and partly without, the limits of the city or county, by purchase, condemnation, lease or otherwise, the property, in whole or in part, whenever so acquired, of any private or public service corporation operating a waterworks system or chartered for the purpose of acquiring or operating such a system . . . whether such property, or any part thereof, is essential to the purposes of the corporation or not.

Code § 15.1-340 provides that condemnation proceedings under that article shall be governed by the provisions of Chapter 2 of Title 25 "except that the provisions of § 25-233 shall not apply."

The plain meaning of this language is to classify authorities, for the first time, into two groups. The requirement for Commission approval under § 25-233 was maintained for one class. However, a second classification of authorities -- those in counties already exempted from the Commission's authority under § 25-233 -- was added eliminating the necessity for the two step procedure which arose under the Alexandria Water Company case. Authorities in counties described in §§ 15.1-335 and 15.1-340 can now acquire facilities directly without the need for intervention of the county board to gain exemption from Commission approval. In its Motion to Dismiss, the Authority asserts that Prince William has a population density in excess of 500 per square mile and the Company has not challenged that assertion.

We therefore conclude that the Authority's right to proceed with condemnation action without prior Commission approval is clear from the face of the language of § 15.1-1250(f). The Company urges us to interpret legislative history and fragments of various statutes to conclude otherwise. Those arguments would lead us to a strained interpretation contrary to the import of the current language as a whole, and we reject them. See, Harward v. Commonwealth, 229 Va. 363, 330 S.E.2d 89 (1985).

Our permission to begin the condemnation proceedings in question is not necessary; accordingly,

IT IS ORDERED:

(1) That the Authority's Motion to Dismiss is GRANTED; and

(2) That, there being nothing further to come before the Commission, this case shall be closed and the papers herein shall be placed in the Commission's files for ended causes.

CASE NO. PUE920082
JULY 16, 1993

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
SMITH MOUNTAIN WATER COMPANY

For an increase in tariffs pursuant to Virginia Code §§ 56-265.13:1 et seq.

DISMISSAL ORDER

On November 14, 1992, Smith Mountain Water Company ("Smith Mountain" or "Company") notified its customers of its intent to increase its tariffs pursuant to the Small Water or Sewer Public Utilities Act. By motion dated June 1, 1993, counsel for Company requested authority to withdraw that application.

In a ruling issued on June 28, 1993, the Hearing Examiner granted Smith Mountain's motion to withdraw its application. In that ruling, the Examiner also recommended that the Commission enter an order dismissing this case from the Commission's docket of pending proceedings.

NOW THE COMMISSION, having considered the matter, is of the opinion and finds that the Examiner's recommendation should be accepted. Accordingly,

IT IS ORDERED that this matter be, and hereby is, dismissed from the Commission's docket of pending proceedings and the papers placed in the file for ended causes.

CASE NO. PUE920082
JULY 30, 1993

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
SMITH MOUNTAIN WATER COMPANY

For an increase in tariffs pursuant to Virginia Code §§ 56-265.13:1 et seq.

AMENDING ORDER

On November 14, 1992, Smith Mountain Water Company ("Smith Mountain" or "Company"), notified its customers, pursuant to the Small Water or Sewer Public Utility Act, of its intent to increase its tariffs effective January 1, 1993. On December 22, 1992, the State Corporation Commission ("Commission") entered an Order docketing the proceeding, appointing a Hearing Examiner to the matter, directing Company to give public notice of its proposed tariff revision and the proceeding, and establishing a procedural schedule for Company, Staff, Protestants, and intervenors. Consistent with Va. Code § 56-265.13:6, Ordering Paragraph (2) of the December 22, 1992 Order declared the increase in Smith Mountain's tariffs to be interim and subject to refund for service rendered on and after January 1, 1993.

By Motion dated June 1, 1993, Company, by counsel, requested authority to withdraw its request for an increase in its tariffs. By ruling dated June 28, 1993, the Hearing Examiner granted Smith Mountain's Motion to withdraw and recommended that the Commission enter an order dismissing the case from its docket. On July 16, 1993, the Commission entered an Order dismissing the application.

By letter dated July 26, 1993, David W. Talbott, a public witness in the captioned matter, advised the Commission, among other things, that Company had represented to some of its customers that its interim rates "were approved by the Commission and must be paid". In his letter, Mr. Talbott objected to Company's actions and requested the Commission to respond to this issue.

NOW, upon consideration of the record herein, the Hearing Examiner's June 28, 1993 Ruling, the July 16, 1993, Dismissal Order, and the letter of Mr. Talbott, the Commission is of the opinion and finds that the July 16, 1993 Dismissal Order should be amended to clearly specify refund procedures for Smith Mountain's interim rate increase, which became effective for service rendered on and after January 1, 1993. In this regard, the Commission further finds that on or before December 31, 1993, Company should refund, with interest, all revenues collected from the

application of the rates which were made effective, subject to refund, on January 1, 1993, to the extent that those revenues exceed the revenues which would have been collected by the application of the permanent rates in effect when Case No. PUE920016 was filed and withdrawn; that Smith Mountain may make these refunds utilizing the methodology prescribed below; that Smith Mountain should file a document with the Staff showing that all refunds have been lawfully made pursuant to this Order; that Company should bear all costs of the refunds directed in this Order; and that this proceeding should be dismissed.

Accordingly, IT IS ORDERED:

(1) That the Commission's July 16, 1993 Dismissal Order shall be amended to include the directives provided below;

(2) That, on or before December 31, 1993, Company shall complete the refund, together with interest as set forth below, of all revenues collected from the application of the rates which were effective for service rendered on and after January 1, 1993, to the extent that those revenues exceed, on an annual basis, the revenues which would have been collected by the application of the permanent rates in effect when, Company's previous case, Case No. PUE920016, was withdrawn and Company was ordered to refund its interim rate increase;

(3) That the interest upon the refunds ordered above shall be computed from the date payment of each monthly bill was due during the period the Company's proposed tariffs were in effect and subject to refund until the date refunds are made at 6%;

(4) That the interest required to be paid herein shall be compounded quarterly;

(5) That, for current customers, the refunds ordered in Ordering Paragraph (2) above may be accomplished by credit to the appropriate customer's account. Refunds to former customers may be made by a check to the last known address of such customers when the refund amount is $1.00 or more. Smith Mountain 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 of the balance. Company may retain refunds owed to former customers when such refund amount is less than $1.00; however, Company will 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 contact Company and request refunds, such refund shall be made promptly. All unclaimed refunds shall be handled in accordance with Va. Code § 55-210.6:2;

(6) That, on or before January 31, 1994, Smith Mountain shall file with the Staff a document showing that all refunds have been lawfully made pursuant to this Order. Said document shall itemize the amount of the refund, method of refund and the customer account charged, the costs associated with making the refund, and, the Company account charged;

(7) That Smith Mountain shall bear all costs of the refunds directed in this order; and

(8) That there being nothing further to be done herein, this matter shall be removed from the Commission's docket, and the papers placed in the file for ended causes.

CASE NO. PUE930001
JUNE 11, 1993

APPLICATION OF
APPALACHIAN POWER COMPANY

For certification of a 34.5 kV distribution line outside its service territory

ORDER GRANTING AMENDED CERTIFICATE

Before the Commission is Appalachian Power Company's ("APCO" or "the Company") application to amend its certificate of public convenience and necessity for Henry County, Certificate No. ET-38h, to authorize the construction and operation of a distribution line outside its service territory. APCO proposes to construct a 34.5 kV distribution line across approximately 2.5 miles of the service territory of the City of Danville, Virginia (the "City").

In support of its application, APCO states that the service territory boundaries of APCO and the City are laid out in an irregular fashion with each party having its own "pockets" of territory within a larger territory. The Company's customers in the Tunstall and Chatham districts of Pittsylvania County and in the Irisburg in Axton areas of Henry County are presently being served from the Company's Martinsville Station. The existing load on that station has created the need to construct the new Stockton Station to alleviate the loading on the Martinsville Station. Customers in the Tunstall and Chatham districts are presently being served from a 24-mile long 34.5 kV distribution circuit known as the Sandy River circuit. The length, age, and overall condition of this rural circuit, coupled with load growth in area has resulted in a circuit with less than desirable reliability. The average number of outages for this circuit is more than twice the Roanoke division average. Moreover, Company represents that the duration of outages, especially for customers at the end of the circuit, is prolonged. Therefore, Company is constructing a new substation, to be located within the Company's service territory, and two new distribution circuits which will serve the Company's existing customers. One distribution circuit will extend south through Company's certificated territory to the load centers in Axton and Irisburg, and the proposed circuit which requires approval will run through the City extending east into the load centers in Tunstall and Chatham districts.

APCO has discussed the project with the City, and both parties have agreed that it would be appropriate to construct this 34.5 kV distribution circuit within a common right-of-way under a joint-use arrangement. The portion of the proposed project that is the subject of this application calls for the construction of a new 34.5 kV express distribution circuit for 1.9 miles east along State Route 616, .3 miles south along State Route 647 and .3 miles east along State Route 616 through the City's service territory. The distribution line will be built within a 40-foot-wide

corridor partly within the existing right-of-way for State Routes 616 and 647 and partly within the existing right-of-way established by the City's distribution lines in Henry County. Additional private easements will be secured by the Company and the City in order to set poles and allow for additional overhang of the lines. The Company represents that the City has no objection to the proposed route and has so indicated by signing the state highway map attached to Company's application as Exhibit B.

Upon consideration of the application, the Commission finds that, pursuant to § 56-265.2 of the Code of Virginia, it has jurisdiction over APCO's application to construct and operate distribution facilities outside its allotted service territory. APCO's application establishes the need for the distribution line to assure adequate and reliable service to the Tunstall and Chatham districts. The City of Danville does not oppose construction in its service territory and has indicated its agreement by signature on the map attached to Company's application. Accordingly, the Commission finds that the public convenience and necessity require that APCO be authorized to construct and to operate the proposed distribution line outside its service territory and that the appropriate certificate should be issued. Accordingly,

IT IS ORDERED:

(1) That, pursuant to § 56-265.2 of the Code of Virginia, this application be docketed, be assigned Case No. PUE930001, and that all papers be filed therein;

(2) That, pursuant to § 56-265.2 of the Code of Virginia, this application for a certificate of public convenience and necessity be granted;

(3) That APCO be authorized to construct and to operate a 34.5 kV distribution line across approximately 2.5 miles of the service territory of the City of Danville;

(4) That APCO be issued an amended certificate of public convenience and necessity as follows:

> Certificate No. ET-38i, for Henry County, authorizing Appalachian Power Company to operate present transmission lines and facilities and to construct and operate the proposed 34.5 kV Distribution Line all as shown on the map attached hereto; Certificate No. ET-138i will supersede Certificate No. ET-138h, issued on December 21, 1979.

(5) That this case be dismissed from the docket of active proceedings and the papers herein be placed in the files for ended causes.

CASE NO. PUE930002
MARCH 11, 1993

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
UNITED CITIES GAS COMPANY,
Defendant

ORDER OF SETTLEMENT

The Natural Gas Pipeline Safety Act, 49 USC § 1671 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 Virginia Code § 56-5.1, which allows the Commission to fine such sums not to exceed the fines and penalties specified by § 11(a)(1) of the Act.

The Commission's Division of Energy Regulation ("Division"), charged with the investigation of each jurisdictional Company's compliance with the Safety Standards, has conducted an investigation of United Cities Gas Company ("United Cities" or "Company"), the Defendant, and alleges:

(1) That United Cities is a public service corporation as that term is defined in Virginia Code § 56-1, and, specifically a natural gas company within the meaning of Virginia Code § 56-5.1; and

(2) That between March 5, 1992, and November 4, 1992, United Cities violated various subparts of 49 C.F.R. Part 192 ("Safety Standards") by conduct including the following:

(a) Failing on one occasion to conduct the required odorant check;

(b) Failing on certain occasions to monitor for external corrosion; and

(c) Failing on certain occasions to take prompt action to correct cathodic protection deficiencies.

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, United Cities represents and undertakes that:

(1) The Company will pay a fine to the Commonwealth of Virginia in the amount of $7,000 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; and

(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 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 United Cities has made a good faith effort to cooperate with the Staff during its investigation and further, has agreed to timely comply with the action outlined herein; therefore, 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 United Cities be, and it hereby is, accepted:

(2) That pursuant to Virginia Code § 56-5.1, United Cities be and it hereby is, fined in the amount of $7,000;

(3) That the sum of $7,000 tendered contemporaneously with the entry of this order is accepted; and

(4) That this case is dismissed and the papers herein be placed in the file for ended causes.

CASE NO. PUE930003
FEBRUARY 19, 1993

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
SOUTHWESTERN VIRGINIA GAS COMPANY,
Defendant

ORDER OF SETTLEMENT

The Natural Gas Pipeline Safety Act, 49 USC § 1671 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 Virginia Code § 56-5.1, which allows the Commission to fine such sums not to exceed the fines and penalties specified by § 11(a)(1) of the Act.

The Commission's Division of Energy Regulation ("Division"), charged with the investigation of each jurisdictional Company's compliance with the Safety Standards, has conducted an investigation of Southwestern Virginia Gas Company ("Southwestern" or "Company"), the Defendant, and alleges:

(1) That Southwestern is a public service corporation as that term is defined in Virginia Code § 56-1, and, specifically a natural gas company within the meaning of Virginia Code § 56-5.1; and

(2) That on November 12, 1991, April 28, 1992, and July 13, 1992, the Division discovered that Southwestern had violated various subparts of 49 C.F.R. Part 192 by the following conduct:

(a) Failing on certain occasions to follow written Company procedures regarding inspection of exposed mains;

(b) Failing on certain occasions to establish procedures to implement Part 192;

(c) Failing on certain occasions to perform required inspections of a bridge crossing; and

(d) Failing on certain occasions to maintain inspection records.

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, Southwestern represents and undertakes that:

(1) The Company will pay a fine to the Commonwealth of Virginia in the amount of $5,000 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; and

(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 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 Southwestern has made a good faith effort to cooperate with the Staff after the investigation, 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 Virginia Code § 12.1-15, the offer of compromise and settlement made by Southwestern be, and it hereby is, accepted;

(2) That pursuant to Virginia Code § 56-5.1, Southwestern be and it hereby is, fined in the amount of $5,000;

(3) That the sum of $5,000 tendered contemporaneously with the entry of this Order is accepted; and

(4) That this case is dismissed and the papers herein be placed in the file for ended causes.

CASE NO. PUE930003
MARCH 11, 1993

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
SOUTHWESTERN VIRGINIA GAS COMPANY

AMENDING ORDER

On February 19, 1993, the Commission entered an Order of Settlement ("Settlement Order") in this matter. Page 2, paragraph (2) of the Settlement Order contains the Division of Energy Regulation's alleged violations of various subparts of 49 C.F.R. Part 192. It has come to the Commission's attention that this paragraph contains an allegation which should have been deleted and fails to recognize that the inspection period covered by the Settlement Order extends from November 12, 1991, to December 31, 1992. It has further come to the Commission's attention that the Settlement Order erroneously references a fine in the amount of $5,000 and its payment. The actual fine and payment was $4,000.

The Commission, upon consideration of this matter is of the opinion and finds that a corrected paragraph should be substituted for paragraph (2) found on page 2 of its Settlement Order. The Commission further finds that in its Settlement Order, any reference to a fine in the amount of "$5,000" should be deleted and replaced with the amount of "$4,000." Accordingly,

IT IS ORDERED that paragraph (2), found on page 2 of the Settlement Order issued on February 19, 1993 be, and it hereby is, superseded the following paragraph:

> (2) That, between November 12, 1991, and December 31, 1992, the Division discovered that Southwestern had violated various subparts of 49 C.F.R. Part 192 by the following conduct: (a) failing on certain occasions to establish procedures to implement Part 192; (b) failing on certain occasions to perform required inspections of a bridge crossing; and (c) failing on certain occasions to maintain inspection records.

IT IS FURTHER ORDERED that all references to the sum of "$5,000" in the Settlement Order be, and they hereby are, replaced with the sum of "$4,000."

CASE NO. PUE930007
JUNE 16, 1993

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
TIDEWATER WATER COMPANY
TIDEWATER WATER COMPANY - ISLE OF WIGHT
TIDEWATER WATER COMPANY - SUFFOLK
TIDEWATER WATER COMPANY - JAMES CITY
KILBY SHORES WATER
AQUA SYSTEMS, INC.

DISMISSAL ORDER

By letter dated December 22, 1992, Tidewater Water Company ("Tidewater" or "Company") notified the Commission pursuant to the Small Water or Sewer Act of its intent to increase its tariff for Tidewater Water Company - Isle of Wight, Tidewater Water Company - Suffolk, Tidewater Water Company - James City, Kilby Shores Water Company and Aqua Systems, Inc. By Order dated March 11, 1993, the Commission set the case for hearing, appointed a Hearing Examiner to conduct all further proceedings in the matter and established a procedural schedule for the filing of testimony and exhibits. The procedural schedule was subsequently amended by Hearing Examiner's Ruling entered on April 27, 1993.

On May 17, 1993, counsel for Tidewater filed a motion requesting authority to withdraw Company's application. In support of that request, counsel states that Company has recently learned that the Environmental Protection Agency will require Company to install fluoride removal equipment. The cost of installing this equipment is not reflected in Company's proposed rate increase, and Tidewater believes that its proposed rate increase will not be adequate to recover its total cost of service.

In its letter, counsel for Tidewater also states that Company has not implemented its proposed rate increase. Customer refunds, therefore, are not necessary.

In a May 20, 1993 Ruling, the Examiner granted Company's motion to withdraw its application. In that Ruling, the Examiner also canceled the hearings scheduled for June 17, 1993 and July 1, 1993. The Examiner recommended that the Commission enter an order dismissing the application from the Commission's docket of pending proceedings.

NOW THE COMMISSION, having considered the Examiner's recommendation, is of the opinion that this case should be dismissed from the Commission's docket of pending proceeding. Accordingly,

IT IS ORDERED that this case be, and hereby is, dismissed from the Commission's docket of pending proceedings and the papers put in the file for ended causes.

CASE NO. PUE930013
JULY 16, 1993

APPLICATION OF
VIRGINIA GAS DISTRIBUTION COMPANY

For certificates of public convenience and necessity pursuant to Va. Code § 56-265.3

FINAL ORDER

On February 16, 1993, Virginia Gas Distribution Company ("VGDC" or "Company") filed an application with the Clerk of the State Corporation Commission, requesting the Commission to issue certificates of public convenience and necessity authorizing VGDC to establish a natural gas distribution system in the Town of Castlewood, Russell County, Virginia. This application mistakenly requested the issuance of the certificates under Virginia Code § 56-265.2. On March 19, 1993, VGDC filed an amendment to its application requesting the issuance of the certificate citing the proper authority, Va. Code § 56-265.3.

On March 26, 1993, the Commission entered an Order setting this matter for hearing on June 3, 1993, and providing for notice to the public and to each natural gas distribution company operating within the jurisdiction of the Commission of the application, which requested certification of previously uncertificated territory.

On June 3, 1993, the matter came to be heard by Glenn P. Richardson, Hearing Examiner. No Protestants appeared at the public hearing. Five public witnesses appeared in support of the application. Counsel appearing were Ford C. Quillen, Esquire, and Charles H. Tenser, III, Esquire, on behalf of VGDC, and William H. Chambliss, Esquire, on behalf of the Commission Staff. By agreement, all prefiled direct testimony was received into the record without cross-examination.

Staff's prefiled direct testimony supported the issuance of the certificate, conditioned upon the Company filing revised operation and maintenance plans, anti-drug and emergency manuals in accordance with the requirements of gas pipeline safety standards adopted by the Commission in Case No. PUE890052. Staff further recommended that the Company file for a review of its proposed rates after accumulating twelve months of actual operating data following the issuance of the requested certificate.

At the conclusion of the hearing, the Hearing Examiner entered his Report from the bench, recommending that the application be granted as filed and that a certificate of public convenience and necessity be granted to VGDC authorizing it to provide natural gas distribution service to the Town of Castlewood, Virginia. The Report recommended that the Company file financial data for a 12-month period once the data becomes available, so that the Commission Staff can review the reasonableness of the Company's rates. Further, the Report recommended that the Company be directed to file revised operating and maintenance, anti-drug and emergency manuals as soon as practical.

NOW THE COMMISSION, upon consideration of the record in this proceeding, the June 3, 1993, Hearing Examiner's Report, and the applicable statutes, is of the opinion and finds that the analysis, findings, and recommendations of the Hearing Examiner are fully supported by the record, are reasonable, and should be adopted. Further, we find it to be in the public interest to allot the Town of Castlewood to VGDC for the development of natural gas distribution service. Once VGDC files the manuals directed herein and files the appropriate service territory maps with the Division of Energy Regulation, individual certificates of convenience and necessity may be issued. Consequently, we will hold this docket open until such time as VGDC files the required materials, at which time the certificates will be issued and the matter closed.

Accordingly, IT IS ORDERED:

(1) That the findings, analysis, and recommendations of the June 3, 1993, Hearing Examiner's Report are hereby adopted;

(2) That certificates of public convenience and necessity authorizing VGDC to provide natural gas distribution service to the Town of Castlewood, Virginia shall be issued to VGDC upon the filing of the materials directed herein; and

(3) That this matter shall be continued until further order of the Commission.

CASE NO. PUE930013
AUGUST 4, 1993

APPLICATION OF
VIRGINIA GAS DISTRIBUTION COMPANY

For certificates of public convenience and necessity pursuant to Va. Code § 56-265.3

ORDER GRANTING CERTIFICATE

On July 16, 1993, the State Corporation Commission ("Commission") authorized the issuance of a certificate of public convenience and necessity to Virginia Gas Distribution Company ("VGDC" or "Company") upon the filing of appropriate maps and the filing of revised operation and maintenance plans, anti-drug plan and emergency manuals in accordance with the requirements of gas pipeline safety standards adopted by the Commission. The certificate would authorize VGDC to provide natural gas distribution service to the Town of Castlewood, Virginia.

On July 30, 1993, the Company completed the filing of the ordered materials.

Accordingly, IT IS ORDERED:

(1) That a certificate of public convenience and necessity be issued to the Company as follows:

> Certificate No. G-164, for the Town of Castlewood, Virginia, authorizing Virginia Gas Distribution Company to provide natural gas distribution service and to construct and operate gas distribution lines and facilities as shown on the map attached thereto; and

(2) That the tariffs filed by the Company with its application shall be approved; and

(3) That, there being nothing further to come before the Commission, this matter be dismissed and the papers be placed in the files for ended causes.

CASE NO. PUE930015
MARCH 19, 1993

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION

Ex Parte: In Re: Investigation into the Effects of Wholesale Power Purchases on Utility Cost of Capital; Effects of Leveraged Capital Structures on the Reliability of Wholesale Power Sellers; and Assurance of Adequate Fuel Supplies

ORDER ESTABLISHING COMMISSION INVESTIGATION

The 102d Congress of the United States adopted the Energy Policy Act of 1992 (the "Act") on October 24, 1992. Section 712 of the Act adds an additional provision, Paragraph (10) and subsections, to Section 111 of the Public Utility Regulatory Policies Act of 1978, 16 U.S.C. § 2621 ("PURPA"). This provision requires the various state utility regulatory authorities, including this Commission, to "perform a general evaluation of:"

> (i) the potential for increases or decreases in the costs of capital for such [electric] utilities, and any resulting increases or decreases in the retail rates paid by electric consumers, that may result from purchases of long-term wholesale power supplies in lieu of the construction of new generation facilities by such utilities;
>
> (ii) whether the use by exempt wholesale generators (as defined in section 32 of the Public Utility Holding Company Act of 1935) of capital structures which employ proportionally greater amounts of debt than the capital structures of such utilities threatens reliability or provides an unfair advantage for exempt wholesale generators over such utilities;
>
> (iii) whether to implement procedures for the advance approval or disapproval of the purchase of a particular long-term wholesale power supply; and
>
> (iv) whether to require as a condition for the approval of the purchase of power that there be reasonable assurances of fuel supply adequacy.

Paragraph (10)(C) of the Act provides that, as a result of performing the evaluations noted above, a state regulatory authority may take "action with respect to the allowable capital structure of exempt wholesale generators, as such State regulatory authority may determine to be in the public interest."

Paragraph (10)(D) of the Act requires each state regulatory authority to "consider and make a determination concerning the standards of subparagraph (A)[.]" Paragraph (10)(E) requires that this proceeding be concluded within one year from the passage of the Act. The Commission must conclude its investigation no later than October 24, 1993.

Section 111(b)(1)(a) of PURPA requires our consideration to be made after public notice and hearing. Finally, Rule 4:12 of the Commission's Rules of Practice and Procedure ("Rules") requires that before promulgating any general order, rule or regulation, the Commission "shall give reasonable notice of its contents and shall afford interested persons having objections thereto an opportunity to present evidence and be heard."

Accordingly, by this Order we will initiate an investigation to consider rules, if appropriate, or Commission policy regarding the effects of wholesale power purchases on utility cost of capital, the effects of leveraged capital structures on the reliability of wholesale power sellers, whether to implement advance approval or disapproval of long-term wholesale power purchases, and whether to require reasonable assurances of fuel supply delivery for such wholesale power sellers, as required by the Act.

Because of the procedural requirements of the Act and our Rules, this investigation must proceed in two phases. First, interested parties will be asked to comment upon the issues and matters set forth above. Next, the Commission Staff will consider the received comments and file testimony incorporating its recommendation as to "whether it is appropriate to implement the standards set out in subparagraph (A)" of the Act and, if so, whether to do so by specific rule or by specific policy pronouncement.

Following this initial phase of the investigation, the Commission will convene a public hearing to take evidence upon the recommendations set forth in the Staff testimony. The Commission will issue further procedural orders prior to this phase of the investigation.

Accordingly, IT IS ORDERED:

(1) That this matter shall be docketed and assigned Case No. PUE930015;

(2) That any person may file written comments provided an original and fifteen (15) copies of the comments are filed no later than April 21, 1993, with William J. Bridge, Clerk of the State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23216. Such comments must refer to Case No. PUE930015;

(3) That the Commission Staff shall file its testimony on or before June 1, 1993, in which it sets forth its findings and recommendations and proposed rules or policy pronouncements, if any;

(4) That all investor-owned electric companies and electric cooperatives subject to the Commission's jurisdiction shall forthwith make a copy of this order available for public inspection during normal business hours at the respective business offices where utility bills may be paid;

(5) That all investor-owned electric companies and electric cooperatives subject to the Commission's jurisdiction shall forthwith serve a copy of this Order, by delivering a copy to the usual place of business or by depositing a copy in the United States mail, properly addressed and stamped, to all non-utility generators who currently provide or have offered to provide energy or capacity to the utility; and

(6) That this matter shall be continued until further order of the Commission.

CASE NO. PUE930015
OCTOBER 5, 1993

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION

Ex Parte: In re: Investigation into the Effects of Wholesale Power Purchases on Utility Cost of Capital; Effects of Leveraged Capital Structures on the Reliability of Wholesale Power Sellers; and Assurance of Adequate Fuel Supply

FINAL ORDER

On October 24, 1992, the Energy Policy Act of 1992 (the "Act") was enacted. Section 712 of the Act amended Section 111 of the Public Utility Regulatory Policies Act of 1978 ("PURPA") to require state utility regulatory commissions to "perform a general evaluation" of the following new PURPA standards:

> (i) the potential for increases or decreases in the costs of capital for such [electric] utilities, and any resulting increases or decreases in the retail rates paid by electric consumers, that may result from purchases of long-term wholesale power supplies in lieu of the construction of new generation facilities by such utilities;
>
> (ii) whether the use by exempt wholesale generators (as defined in section 32 of the Public Utility Holding Company Act of 1935) of capital structures which employ proportionally greater amounts of debt than the capital structures of such utilities threatens reliability or provides an unfair advantage for exempt wholesale generators over such utilities;
>
> (iii) whether to implement procedures for the advance approval or disapproval of the purchase of a particular long-term wholesale power supply; and
>
> (iv) whether to require as a condition for the approval of the purchase of power that there be reasonable assurances of fuel supply adequacy.

Further provisions of the Act and PURPA required the "general evaluation" to be undertaken following a public hearing and to be concluded prior to October 24, 1993. By Order dated March 19, 1993, we initiated this investigation and established a preliminary procedural schedule calling for the filing of written comment on the issues set forth above and directing the Commission Staff to file testimony containing its recommendation as to whether or not the Commission should implement any new rules or policies as a result of this investigation. The Commission received written comment from fifteen parties, including electric utilities, non-utility power producers, and consumer and trade associations.

On June 8, 1993, the Staff filed the testimony of two witnesses. Donna Tanner Pippert of the Division of Economics and Finance addressed the first two standards set out above, and Cody Walker of the Division of Energy Regulation addressed the latter two standards. Collectively, the Staff concluded that there was no need at present for the issuance of new rules or policies to implement any of the new PURPA standards. Ms. Pippert concluded that the "standards address many important issues which the Commission should consider; however, I believe the issues are best dealt with on a utility-by-utility basis in rate cases or in other types of proceedings before the Commission." Similarly, Mr. Walker concluded that "such rules or policies are unnecessary and would place undue restrictions on utility purchase decisions." In general, the Staff believed that there were sufficient regulatory tools already in place, for instance, the Commission's "Rules Governing the Use of Bidding Programs to Purchase Electricity from Other Power Suppliers," ("Rules") to ensure adequate performance by non-utility generators.

Following the filing of the Staff testimony, the Commission entered an Order Requiring Notice and Hearing, on June 16, 1993. That Order scheduled a public hearing, prescribed the publication of notice of the hearing to the public, and called for the filing of testimony from parties wishing to participate further in the investigation. Prefiled testimony was received from five parties.

Virginia Electric and Power Company ("Virginia Power") urged the Commission to "avoid any universally applicable mechanistic approach to evaluating the impact of purchased power decisions on cost of capital." Further, Virginia Power "does not currently believe that a pre-approval process is necessary for particular long-term wholesale power purchases resulting from the bidding process." However, the Company did support advanced approval in instances where it was ordered or required to enter into a contract it otherwise would have avoided. In general, Virginia Power agreed with the conclusions of the Commission Staff.

Appalachian Power Company ("Appalachian") recommended that the Commission approach the development of guidelines in an incremental manner. Rather than adopting rules, Appalachian believed "that a broad policy statement be developed which could evolve into rules at a later date, should that become necessary." Policies and guidelines are preferable because they provide for more flexibility and management discretion. Such policies and guidelines should recognize, in Appalachian's view, the potential for increases in the cost of capital for utilities that purchase power, increases which should be recognized in rates; that exempt wholesale generators should be required to maintain capital structures similar to electric utilities; that purchased power costs should be recoverable in rates; and, that fuel supply adequacy should be a factor in considering the reasonableness of power purchases.

Like Appalachian Power, The Potomac Edison Company ("Potomac Edison") argued that the Commission should require wholesale suppliers to maintain conservative capital structures and develop guidelines to assure fuel supply adequacy. Potomac Edison urged the Commission to adopt a policy of conducting advanced review and approval or disapproval of purchased power contracts. Further, Potomac Edison advocated the adoption of a generic rule by which utilities which purchased power from independent power producers ("IPP") would be "compensated" by the IPP for the "economic costs that it is shifting, without remuneration, to the [utility]."

The Virginia Committee for Fair Utility Rates ("Committee") also supported formal Commission pre-approval of purchased power contracts. The Committee urged the Commission to hold separate proceedings on (i) the need for new capacity, (ii) whether the capacity should be met by new plant or by purchased power contract, and (iii) how the cost of the new capacity will be recovered through rates. The latter proceeding should take place in the context of a rate case after the new capacity is determined to be "used and useful."

The Virginia Association of Non-Utility Power Producers ("Association") filed very brief testimony concurring with the Commission Staff that specific rules or policies are unnecessary. The Association believed that adoption of a "properly designed preapproval process could provide public benefits by reducing regulatory risk" but that the adoption of such procedures was "not absolutely necessary."

On September 16, 1993, this matter was brought on for hearing. At that time, Staff counsel advised the Commission that none of the parties had cross-examination of any other party.By agreement of the parties, all testimony, together with the earlier-filed comments, was admitted into the record without cross-examination.

NOW THE COMMISSION, having considered the comments, testimony and pleadings, as well as the applicable rules and statutes, is of the opinion and finds that, as recommended by its Staff, the issuance of new rules or policies is unnecessary at this time. We agree with our Staff that determining the cost of capital is so highly dependent on the particular circumstances facing each individual company that attempting to render generic rules on capital costs in isolation from those circumstances would be unreasonable. Impacts on capital costs resulting from non-utility purchases are and will continue to be considered in rate applications.

Further, as noted above, the Commission possesses adequate means to ensure performance by other power suppliers while protecting the interests of the regulated utility, its shareholders and its ratepayers. The Rules permit utilities and the Commission broad flexibility to consider various non-price factors, including demonstrated financial viability, diversity in fuel supply, and environmental impacts in determining the appropriateness of offers of non-utility capacity. We do not find preapproval of purchased power contracts to be in the public interest. The Commission has considered the financial and technical viability of various planned projects in certification proceedings. Another level of formal review is unnecessary at this time.

Accordingly, IT IS ORDERED, that, the investigation being complete, this matter shall be dismissed and the papers transferred to the file for ended causes.

CASE NO. PUE930018
NOVEMBER 29, 1993

APPLICATION OF
RAINBOW FOREST WATER CORPORATION

To amend certificate of public convenience and necessity pursuant to § 56-265.3(D)

FINAL ORDER

On March 19, 1993, Rainbow Forest Water Corporation ("Rainbow Forest" or "Company") filed an application pursuant to Va. Code § 56-265.3(D) to amend its certificate of public convenience and necessity. In its application, Company requested authority to extend its service territory to provide water service to certain subdivisions located in Botetourt County, Virginia. The proposed areas for the extension were specifically referenced as the Clearview, Colonial Court and Wyndermer subdivisions.

On June 25, 1993, the Commission issued an Order Inviting Written Comments and Requests for Hearing. In that order the Commission directed Rainbow Forest to give its customers notice of its application and to provide interested persons with an opportunity to comment and/or request a hearing on or before August 20, 1993. The Commission also directed Staff to review the application and to file a report detailing its findings and recommendations on or before September 24, 1993.

On September 24, 1993, Staff filed that report. In its report Staff noted that, as of that date, there were no written comments or requests for hearing. Staff recommended that Rainbow Forest's certificate be amended to include the above referenced subdivisions. Staff specifically recommended that this be accomplished by canceling Company's existing certificate (Certificate No. W-135a) and issuing an amended certificate (Certificate No. W-135b).

NOW THE COMMISSION, having considered the application, and the record developed herein, is of the opinion that it is in the public interest for Rainbow Forest to be granted an amended certificate to provide water service to the above referenced subdivisions. The Commission is of the further opinion that such authority should be accomplished in the manner recommended by Staff. Accordingly,

IT IS ORDERED:

(1) That Certificate No. W-135a be, and hereby is, canceled;

(2) That Rainbow Forest shall be granted an amended certificate of public convenience and necessity (Certificate No. W-135b) to provide water service to those areas previously authorized in Certificate No. W-135a as well as the Clearview, Colonial Court and Wyndermer subdivisions in Botetourt County, Virginia; and

(3) That there being nothing further to be done, this matter 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. PUE930019
NOVEMBER 29, 1993

APPLICATION OF
MOUNTAINVIEW WATER COMPANY, INC.

To amend certificate of public convenience and necessity pursuant to § 56-265.3(D)

FINAL ORDER

On March 22, 1993, Mountainview Water Company, Inc. ("Mountainview" or "Company") filed an application pursuant to Virginia Code § 56-265.3(D) to amend its certificate of public convenience and necessity to extend its service territory to certain subdivisions located in Botetourt County, Virginia. Mountainview specifically requested authority to provide water service to the Steeplechase, Hunters Green and Apple Tree West subdivisions.

On June 25, 1993, the Commission issued an Order Inviting Written Comments and Requests for Hearing. In that order the Commission directed Mountainview to give its customers notice of its application and to provide interested persons with an opportunity to comment and/or request a hearing on or before August 20, 1993. The Commission also directed Staff to review the application and to file a report detailing its findings and recommendations on or before September 24, 1993.

On September 24, 1993, Staff filed that report. In its report Staff stated that there were no requests for hearing. Staff noted, however, that there was a written comment filed by a customer of the Company. In that comment the customer opposed Mountainview's request for an amended certificate and the customer complained of service problems associated with low water pressure. Staff's investigation of the matter revealed no evidence of other problems associated with low pressure and Staff therefore concluded that Company did not appear to have a quality of service problem.

In its report, Staff also recommended that Mountainview's certificate be amended to include the above referenced subdivisions. Staff specifically recommended that this be accomplished by canceling Company's existing certificate (Certificate No. W-263) and issuing an amended certificate (Certificate No. W-263a).

Company filed its proof of customer notice with the Commission on August 2, 1993.

NOW THE COMMISSION, having considered the application and the record developed herein, is of the opinion that it is in the public interest for Mountainview to be granted an amended certificate to provide water service to the above referenced subdivisions. The Commission is of the further opinion that such authority should be accomplished in the matter recommended by Staff. Accordingly,

IT IS ORDERED:

(1) That Certificate No. W-263 be, and hereby is, canceled;

(2) That Mountainview shall be granted an amended certificate of public convenience and necessity (Certificate No. W-263a) to provide water service to those areas previously authorized in Certificate No. W-263 as well as to the Steeplechase, Hunters Green and Apple Tree West subdivisions in Botetourt County, Virginia; and

(3) That there being nothing further to be done, this matter 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. PUE930020
APRIL 2, 1993

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION

Ex Parte, in re: Investigation into Recovery of Margin Stabilization Charges by Electric Distribution Cooperatives

ORDER ESTABLISHING COMMISSION INVESTIGATION

By letter dated March 9, 1993, ten electric distribution cooperatives (A&N Electric Cooperative, BARC Electric Cooperative, Community Electric Cooperative, Mecklenburg Electric Cooperative, Northern Neck Electric Cooperative, Northern Virginia Electric Cooperative, Prince George Electric Cooperative, Rappahannock Electric Cooperative, Shenandoah Valley Electric Cooperative, and Southside Electric Cooperative - collectively, the "Cooperatives") requested "administrative approval for recovery of Old Dominion's prior period margin stabilization adjustment." The joint request for administrative approval followed requests from several individual cooperatives to pass through their Wholesale Power Adjustment Clauses increases which had been charged to them by Old Dominion Electric Cooperative ("ODEC"). These increases are designed to permit ODEC to recover a prior period shortfall in its times interest earned ratio margin. These "margin stabilization" requests have been denied by the Commission's Division of Energy Regulation.

The Commission views the March 9 letter as a "written petition of [a] person dissatisfied with any action taken by a division of the Commission" under Rule 3:4 of the Commission's Rules of Practice and Procedure ("Rules"). On its own motion, the Commission will set this matter for hearing.

In their letter, the Cooperatives assert that since 1985 the "Commission Staff has given administrative approval to each Virginia distribution cooperative member of Old Dominion Electric Cooperative to make margin stabilization adjustments through a credit rider on their members'/customers' bills." During 1992, however, Old Dominion for the first time experienced a revenue shortfall for margin stabilization, resulting in a charge by Old Dominion to its member-cooperatives rather than the credits which had previously been experienced. The Cooperatives are seeking approval to pass this charge through to their members by way of a surcharge rider.

NOW THE COMMISSION, having considered the letter and supporting material from the Cooperatives, as well as the applicable rules and statutes, is of the opinion and finds that this matter should be docketed and set for hearing. Accordingly,

IT IS ORDERED:

(1) That this matter should be docketed and assigned case number PUE930020;

(2) That, pursuant to Rule 7:1 of the Rules, a Hearing Examiner is appointed to conduct all further proceedings in this matter;

(3) That a hearing before a Hearing Examiner is scheduled for May 27, 1993, beginning at 10:00 a.m., in the Commission's Second Floor Courtroom, Tyler Building, 1300 East Main Street, Richmond, Virginia, for the purpose of receiving evidence relevant to this matter;

(4) That on or before April 22, 1993, the Cooperatives shall file with the Clerk of the Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23216, an original and fifteen (15) copies of any additional testimony or exhibits they intend to present at the hearing being scheduled herein;

(5) That on or before May 13, 1993, the Commission Staff will file an original and fifteen (15) copies its testimony with the Clerk of the Commission;

(6) That on or before May 20, 1993, the Cooperatives shall file an original and fifteen (15) copies of all testimony and exhibits expected to be introduced in rebuttal.

CASE NO. PUE930020
MAY 18, 1993

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION

Ex Parte, in re: Investigation into Recovery of Margin Stabilization Charges by Electric Distribution Cooperatives

ORDER DISMISSING

By letter dated March 9, 1993, ten electric distribution cooperatives (A&N Electric Cooperative, BARC Electric Cooperative, Community Electric Cooperative, Mecklenburg Electric Cooperative, Northern Neck Electric Cooperative, Northern Virginia Electric Cooperative, Prince George Electric Cooperative, Rappahannock Electric Cooperative, Shenandoah Valley Electric Cooperative, and Southside Electric Cooperative - collectively, the "Cooperatives") requested "administrative approval for recovery of Old Dominion's prior period margin stabilization adjustment."

By order dated April 2, 1993, the Commission treated the letter as a written petition under Rule 3:4 of the Commission's Rules of Practice and Procedure, appointed a Hearing Examiner and scheduled a hearing to receive evidence relevant to the Cooperatives' request.

On April 22, 1993, counsel for the Cooperatives moved that this matter be dismissed without prejudice, advising that the Cooperatives instead intended to file a request to amend their Wholesale Power Cost Adjustment clauses in the near future.

On April 26, 1993, the Hearing Examiner entered a ruling granting the Cooperatives' motion, canceling the hearing which had been scheduled for May 27, 1993, and recommending the Commission enter an order dismissing this proceeding from its docket of pending cases.

NOW THE COMMISSION, having considered this matter, accepts the recommendation of its Hearing Examiner. Accordingly,

IT IS ORDERED:

(1) That this matter shall be, and is, DISMISSED; and

(2) That, there being nothing further to be done herein, this matter shall be removed from the docket of active cases and the papers placed in the file for ended causes.

CASE NO. PUE930027
APRIL 29, 1993

APPLICATION OF
A&N ELECTRIC COOPERATIVE

To revise Irrigation Services Schedules I and I-LM

ORDER AUTHORIZING REVISIONS

Before the Commission is the application of A&N Electric Cooperative ("A&N" or "Cooperative") to revise its Irrigation Service Schedule I and Irrigation Service Schedule I-LM to reduce the charge for these services. A&N asks for authorization to put the proposed reduction in effect for the billing month of June, 1993, without notice, as authorized by Section 56-40 of the Virginia Code. Proposed revised tariff pages and supporting material accompanied the application letter. For the reasons set out in this order, the Commission will allow the revision to take effect as requested. We also impose certain conditions that A&N must satisfy in preparation for its next application for a general increase in rates.

A&N's proposed revisions are intended to mitigate adverse impact on irrigation service customers using center-pivot systems. The Cooperative's Irrigation Service Schedule I and Irrigation Service Schedule I-LM, both accepted for filing March 28, 1991, provide for a monthly facilities charge, an energy charge, and monthly horsepower charges. The proposed revisions would reduce the horsepower charges in both schedules. In Schedule I and Schedule I-LM, a charge of $0.35 per horsepower is imposed each month. In the billing months of June through September, an additional charge of $8.10 per horsepower under Schedule I or $3.25 per horsepower under Schedule I-LM is imposed. The additional charges in both schedules do not apply in any billing month in which no electricity is consumed.

According to A&N's application, this rate structure is disadvantageous to customers with center-pivot irrigation systems not actively using the equipment in the months of June through September. Since the additional horsepower charge applies if any electricity is consumed, these customers would incur the $8.10 per horsepower or $3.25 per horsepower charge if they even tested equipment or moved it a short distance. To avoid this situation, A&N proposes a consumption threshold. In both schedules, the additional horsepower charges would not apply in any month in which the customer consumed 25 kWh or less electricity. According to supporting material included in A&N's application, the 25 kWh threshold would provide from approximately 30 minutes for a large center-pivot system to over an hour for a small system to energize equipment without incurring the additional charge per horsepower for the billing month. Based on consumption in the billing months of June through September 1992, A&N estimates that the proposed revision would reduce annual revenues by approximately $2,131. The Cooperative would absorb that loss.

As noted by A&N in its application, Section 56-40 of the Virginia Code authorizes the Commission to forego the notice requirements imposed by other provisions of Title 56 of the Code when a proposed rate schedule revision makes no increase. This provision of law does not, however, waive the requirements of Section 56-234 that charges be just and reasonable and uniformly imposed. Further, rates, charges, and schedules must, as required by Section 56-235.2, include reasonable classifications of customers. While we accept A&N's explanation of the adverse impact the existing rate structure could have on some irrigation service customers, the Commission must be mindful that all customers pay their appropriate share of the costs of providing service. There must be no unreasonable discrimination in favor of, or against, certain classes of customers or customers within a class.

As noted previously, A&N estimates that the proposed revision will reduce its annual revenue by approximately $2,131. According to the Cooperatives' Financial and Statistical Report (REA Form 7) for the period ended December 31, 1992, filed with the Commission, irrigation services generated revenue of $60,754 in 1992. Total revenue from sales of electricity in 1992 was $11,405,091. Consequently, the estimated loss would not appear to have a significant impact or to affect any other class of customers. A&N has stated that the Cooperative will absorb the loss, and we interpret this representation as an assurance that the loss will not be passed on to other customers or other customer classes.

The method of estimating the loss is, however, of concern to the Commission. It appears from the supporting material included in A&N's application that Virginia Polytechnic Institute and State University is treated as a Schedule I-LM customer. As an instrumentality of the Commonwealth, VPIS&U is not a jurisdictional customer. Nonjurisdictional customers such as VPIS&U and federal agencies should be excluded when developing a revenue requirement and allocating the revenue requirement among the various classes of customers.

In conclusion, the Commission will authorize the proposed revision in Schedules I and I-LM. The information provided by A&N has satisfied us that the current structure for horsepower charges could adversely affect some customers, and revision of the rate structure is appropriate. A&N must be mindful, however, of the impact of the proposed revenue loss on this class of customers and all other classes. Accordingly, we will require A&N to make appropriate cost-of-service studies to support its next application for an increase in rates. Further, we direct A&N to consult with the Commission's Division of Energy Regulation on the nature and scope of these studies prior to commencing them. Accordingly,

IT IS ORDERED:

(1) That this application be docketed; be assigned Case No. PUE930027; and that all associated papers be filed therein;

(2) That A&N be authorized to revise the horsepower charges in Irrigation Service Schedule I and Irrigation Service Schedule I-LM as discussed herein;

(3) That the Commission's Division of Energy Regulation accept for filing revised tariff pages as of the date of this order;

(4) That, before A&N files its next general rate application, it conduct appropriate cost-of-service studies after consultation with the Division of Energy Regulation as discussed herein; and

(5) That this case be dismissed from the Commission's docket of active cases and the papers herein passed to the files for ended proceedings.

CASE NO. PUE930029
OCTOBER 14, 1993

APPLICATION OF
OLD DOMINION ELECTRIC COOPERATIVE
and
PUBLIC SERVICE ELECTRIC AND GAS COMPANY

For exemption from Commission Rules Governing Electricity Capacity Bidding Programs

FINAL ORDER

On April 19, 1993, Old Dominion Electric Cooperative ("ODEC") and Public Service Electric and Gas Company ("PSEG") (jointly, "Petitioners") filed a joint petition requesting an exemption from the Commission's Rules Governing the Use of Bidding Programs to Purchase Electricity from Other Power Suppliers ("Rules").

On December 17, 1992, Petitioners executed a Capacity and Energy Sales Agreement ("Agreement"), as supplemented on March 26, 1993, under which, subject to regulatory approval, ODEC will purchase and PSEG will sell 75 MW of baseload capacity and an additional 75 MW of intermediate or peaking capacity. Sales under the Agreement will commence January 1, 1995 and continue through December 31, 2004. The Agreement will result in the displacement of 150 MW of power currently purchased from Delmarva Power & Light Company.

On May 12, 1993, the Commission entered an Order for Notice, requiring the Petitioners to publish notice of their petition and establishing a procedural schedule herein. That Order called for interested parties to file comments or to request public hearing on the petition on or before June 30, 1993. No such comments or requests for hearing were forthcoming. The Order also required the Commission Staff to investigate the reasonableness of the proposed purchase and sale and file its report on or before July 15, 1993. The Staff report was timely filed.

On August 6, 1993, Petitioners moved the Commission for leave to file a response to the Staff report and tendered their proposed response. On September 9, 1993, the Commission granted the Petitioners' motion and received, and has reviewed, Petitioners' response.

Under the Rules, the Commission may grant exemptions from the requirement of conducting an all-source competitive bidding solicitation upon the finding of certain contingencies. Rule IX, "Purchases Outside of the Bidding Process," states, in pertinent part:

> Electricity purchases outside of the bidding process could include purchases under tariffs from small power producers and cogenerators, short term, economy and emergency purchases. The extension of an existing contract could also normally be accomplished outside of the bidding process. If a utility and a potential provider of capacity want to negotiate a purchased power contract outside of the bidding process under other circumstances, they must jointly file a petition with the Commission. The parties must demonstrate that the opportunity cannot be accommodated in a bidding process and that the terms of the purchase are favorable from both a cost and reliability standpoint.

(Emphasis supplied.) In the Order adopting the Rules, the Commission stated its intention that the Rules should not bar a utility from entering into a purchase of extraordinary advantage to it and that under special circumstances the Commission would entertain petitions for exemption from the other requirements of the Rules.

In its Report, Staff focused its efforts on the issues of whether the Agreement is favorable from a cost and reliability standpoint and whether it could have been accommodated in a bidding process, and on the threshold issue of whether ODEC has an active bidding program such as to render the Rules applicable.

The Staff noted that the Commission adopted the Rules by Order dated November 28, 1990, and found that in December 1990, ODEC decided to establish a competitive bidding program in response to that Order and that ODEC's "stated policy is to 'utilize competitive bidding whenever feasible.'" (Report, at 2.)However, Staff concluded that "it is not clear that Old Dominion [ODEC] has what could be characterized as an 'active bidding program.'" (Report, at 7) Staff found little activity on the part of ODEC to indicate that it currently has an active bidding program. According to Staff, ODEC has not conducted the type of bidding program envisioned by the Rules. ODEC has no written bidding procedures in place to comply with the Rules and by which such a bidding program could be conducted, but "[t]he development of such procedures is now expected to be completed by the end of the year and approved in early 1994." (Report, at 8.)

In addition to the above findings, Staff also discussed the terms of the proposed Agreement from a cost and reliability standpoint. Staff found that the "prices in the [Agreement] appear competitive with alternative offers" and that the "reliability of the power is also attractive." According to the Petitioners' analysis, ODEC could realize savings of from $6.3 to $72.6 million from the Agreement, depending on various escalation assumptions, compared to the price of the power the Agreement will displace. (Report, at 12.)

However, Staff further concluded that although "the terms of the Agreement appear favorable, there are two uncertainties that should be pointed out." First, the incremental energy charges under the contract will include adders for emission allowances that might be applicable, but are not at this time monetized because the financial impact of the Clear Air Act Amendments of 1990 are not fully known. Second, approval of the joint owners of the LDV Transmission System is required, but had not been obtained, for the delivery of the contracted power.

As to whether the Agreement could have been accommodated within the bidding process, the Report was inconclusive. Staff notes that the process which culminated in the Agreement occupied more than a year, but asserts that ODEC offered "legitimate reasons for moving quickly to take advantage of an opportunity to secure lower power costs." However, Staff further argues that "the circumstances faced by [ODEC] do not necessarily preclude the use of a competitive bidding process." (Report, at 10.)

In response to the points raised by Staff, ODEC asserted that it "has done all that it can reasonably and prudently be expected to do to implement an active bidding program within the context of its IRP." (Response, at 11.) ODEC reassures that it and its member cooperatives "are committed to the bidding process and to working within Commission rules and guidelines to assure proper implementation" of such process. (Response, at 10.) ODEC points out that in May 1991, it placed a notice in the Wall Street Journal advising the public of its intent to utilize competitive bidding for acquisition of future power resources and that the advertisement generated the names of 92 prospective bidders. ODEC urges that it and its customers "not be penalized because their collective power needs are not sufficient to require an annual bidding process" and its current program "has been deemed by the Staff to not [sic] meet the current Rules." (Response, at 10-11.)

NOW THE COMMISSION, having considered the petition, the Staff report and the response of ODEC, and the applicable Rules and statutes, is of the opinion and finds, although not without reservations, that the request of the Petitioners for an exemption from the requirements of the Rules should be granted. We concur with our Staff that there is very little evidence that ODEC has an active bidding program, but it has taken some minimal steps and, as the Staff report indicates, written procedures necessary for the implementation of a bidding program are currently in development and should be approved and in place within the next few months.

As ODEC notes in its Response, there is no formal approval process within which to review a bidding program. Nevertheless, the Commission believes that more must be done to establish an active bidding program than the mere running of an advertisement. Rule I of the Rules states that:

> Electric utilities maintain the right to establish a bidding program or secure electric capacity and energy through other means. If a bidding program is developed, the responsibilities of developing requests for proposals, evaluating bids and negotiating and enforcing contracts lies with the utility.

It is incumbent on the utility to develop and implement its bidding program. In the order adopting the Rules, the Commission discussed certain developmental milestones necessary for the establishment of a bidding program. For example, we stated:

> A bidding program also must include some mechanism to compare utility build options with purchase options. We believe this can be accomplished by requiring the utility to establish a benchmark based on detailed construction cost estimates for each solicitation.

This requirement is clearly stated in Rule VI. A utility must have in place procedures whereby it can solicit and receive bids, evaluate those bids, and compare the received offers to its build options. We do not find that ODEC has such mechanisms currently in place, but the Rules do not make absolutely clear when such mechanisms were expected to be established. We do expect that ODEC will complete these steps in the near future. Much of ODEC's Response effectively admits that it does not have its program fully in place. For example, ODEC asserts that it "had begun planning to issue" a request for proposals (RFP) and "had taken preliminary steps toward developing bid procedures and a company cost benchmark" prior to seeking a replacement for its power supply contract with Delmarva Power & Light. ODEC acknowledges that these items are "needed for establishing the evaluation criteria of an RFP." However, this preparatory work was "deferred." (Response, at 8-9.) The Commission finds that the remaining steps, including the preparation of the written bid procedures and the development of its detailed cost estimates for its build options, should be completed and we expect them to be in place no later than January 31, 1994. We ask our Staff to advise ODEC, as necessary, as to the development of the remaining bid procedures and to advise us as to the status of the development.

The Commission has decided to permit the completion of this purchase of capacity received outside of a bidding process through the granting of the requested exemption. However, the Commission will not grant future requests for exemption made under circumstances similar to those attending this case. Although there may have been some past confusion as to its intent, it should now be clear that Rule IX provides that only certain enumerated purchases, including short term, economy and emergency purchases, may be made outside the bidding process. Under all other remaining circumstances, a utility subject to our jurisdiction which maintains an active bidding program must request an exemption from the requirements of the Rules. When acquisitions of capacity are contemplated in circumstances where an exemption from the Rules may be necessary, the Commission expects that the utility will advise the Staff of the potential for negotiations, and, if negotiations are conducted, the terms under discussion and the progress of the negotiations. When requests for exemption are made, since the parties must clearly demonstrate that terms of

the offer are favorable and that the opportunity could not be accommodated in a bidding process, the early participation of the Staff will facilitate our review of the petition. There should be no mistaking our intent -- the Commission does not want, in the future, to be confronted with a request for an exemption from the Rules for a contract negotiated and executed without the knowledge of our Staff.

Accordingly, IT IS ORDERED:

(1) That the Petition for an exemption from the requirements of the Rules is GRANTED;

(2) That there being nothing further to come before the Commission, the papers shall be transferred to the file for ended causes.

Commissioner Morrison took no part in the consideration of this matter.

CASE NO. PUE930030
AUGUST 16, 1993

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For approval of a Pilot Program to Conduct Field Testing and Analysis of Certain New Electric Energy Technologies

FINAL ORDER

On April 20, 1993, Virginia Electric and Power Company ("Virginia Power" or "Company") filed its application for approval of a pilot program to conduct field testing and analysis of certain new electric energy technologies. Virginia Power proposed to provide funding to help pay a portion of the installation cost of certain electric energy technologies for a limited number of residential, commercial and industrial customers within its service territory.

On April 30, 1993, the Commission entered a procedural order in this docket, providing for publication of notice of the contents of the application and establishing a period for the receipt of public comment or requests for hearing. Two comments were received. The Prince William Board of Supervisors expressed support for Virginia Power's proposed program. Commonwealth Gas Services ("CGS") filed comments strenuously opposing the implementation of the program as proposed and requested a public hearing. CGS argued that the Company had not demonstrated that the proposed program would be cost effective, that it would not achieve the goals of a demand side management ("DSM") program, and that it would allow Virginia Power to increase its share of local heating markets rather than promote energy conservation.

On June 25, 1993, the Commission Staff filed the report of its investigation into the proposed program. The Staff recommended that the proposed program be implemented with minor changes. The Staff voiced its support of the development of experimental or pilot programs prior to full scale implementation of DSM programs, such programs being necessary to gather the specific program data and operating experience needed to design permanent DSM programs that will be successful in Virginia.

Staff voiced concern with the scope of the proposed expenditures to be made under the pilot program, but noted that the Company operated in a vast service territory of 30,000 square miles, comprising five distinct divisions. Staff recommends that Virginia Power be directed to evenly distribute its support of the proposed technologies among its divisions in order to gather complete and reliable information. Further, Staff recommends that the Company be directed to file its analysis of the program within six months after the end of the implementation period, and not later than December 31, 1995.

NOW UPON CONSIDERATION of the application, the pleadings filed herein, the applicable rules and statutes, the Commission is of the opinion and finds that the pilot program should be approved as filed, subject to the modifications recommended by Staff and noted herein. The Commission finds that it is in the public interest for Virginia Power to utilize the pilot program to gain sufficient data to enable the Commission to determine whether the program is feasible and should be implemented on a permanent basis. The Commission finds that, due to the limited and experimental nature of the pilot program, a public hearing is unnecessary and will, at this time, deny the motion of CGS for a public hearing without prejudice to CGS' right to renew the motion if and when Virginia Power seeks permanent implementation of the pilot program. Should Virginia Power seek permanent implementation, it will of course bear the burden of showing that the program will be cost beneficial on a permanent basis.

Accordingly, IT IS ORDERED:

(1) That the pilot program proposed by Virginia Power shall be approved, subject to the limitations recommended by the Staff;

(2) That Virginia Power shall file its report and analysis of the pilot program not later than six months following the end of the implementation period, and not later than December 31, 1995; and

(3) That this matter be continued until further order of the Commission.

CASE NO. PUE930031
AUGUST 17, 1993

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For approval of Financing for Energy Efficiency Measures as a Pilot Program

FINAL ORDER

On April 20, 1993, Virginia Electric and Power Company ("Virginia Power" or "Company") filed its application requesting approval of a pilot program, "Financing for Energy Efficiency Measures," designed to encourage residential, commercial, and industrial customers to purchase high efficiency electrical equipment and weatherization for their homes and businesses.

As proposed, Virginia Power would fund low interest loans for up to 6,000 residential customers to finance the purchase of selected high efficiency electrical equipment or weatherization measures which are reasonably expected to produce at least a 15% annual reduction in BTU consumption for HVAC (heating, ventilation and air conditioning) and water heating. As proposed, Virginia Power would assist up to 1,100 commercial and industrial customers by paying a fee representing a 2 percent interest buydown from the loan rate negotiated by the customer with its lending institution for the purchase of selected electrical equipment meeting certain efficiency standards.

On April 30, 1993, the Commission entered a procedural order in this docket, providing for publication of notice of the contents of the application and establishing a period for the receipt of public comment or requests for hearing. Two comments were received. The Prince William Board of Supervisors expressed support for Virginia Power's proposed program. Commonwealth Gas Services ("CGS") filed comments strenuously opposing the implementation of the program as proposed and requested a public hearing. CGS argued that the Company had not demonstrated that the proposed program would be cost effective, that it would not achieve the goals of a demand side management ("DSM") program, and that it would allow Virginia Power to increase its share of local heating markets rather than promote energy conservation.

On June 25, 1993, the Commission Staff filed the report of its investigation into the proposed program. The Staff voiced its support for the development of experimental or pilot programs prior to full scale implementation of DSM programs, such programs being necessary to gather the specific program data and operating experience needed to develop permanent DSM programs that will be successful in Virginia.

The Staff questioned the reasonableness of expending $7.75 million, as Virginia Power had proposed, on a program that has not been subject to any cost/benefit analysis and argued that a more limited program would provide the Company with the information that it needs to evaluate a permanent program and expose the Company to less financial risk. Consequently, the Staff recommended that the allowed number of participants be halved, for both residential and the commercial and industrial customers. Staff further recommended that Virginia Power be directed to evenly distribute the number of loans throughout its service territory in order to gather more complete and reliable information. Finally, Staff recommended that the Company file its analysis of the program within 6 months after the end of the implementation period, and not later than December 31, 1995.

NOW UPON CONSIDERATION of the application, the pleadings filed herein, the applicable rules and statutes, the Commission is of the opinion and finds that the pilot program should be approved, subject to the modifications recommended by the Staff as noted herein. The Commission finds that it is in the public interest for Virginia Power to utilize the pilot program to gain sufficient data to enable the Commission to determine whether the program is feasible and should be implemented on a permanent basis. The Commission finds that, due to the limited and experimental nature of the pilot program, a public hearing is unnecessary and will, at this time, deny the motion of CGS for a public hearing without prejudice to CGS' right to renew the motion if and when Virginia Power seeks permanent implementation of the pilot program. Should Virginia Power seek permanent implementation, it will of course bear the burden of showing that the program will be cost beneficial on a permanent basis.

Accordingly, IT IS ORDERED:

(1) That the pilot program proposed by Virginia Power shall be approved, subject to the limitations recommended by the Staff;

(2) That Virginia Power shall file its report and analysis of the pilot program not later than six months following the end of the implementation period, and not later than December 31, 1995; and

(3) That this matter be continued until further order of the Commission.

CASE NO. PUE930034
OCTOBER 7, 1993

APPLICATION OF
VIRGINIA GAS COMPANY

To furnish gas service pursuant to Virginia Code § 56-265.4:5

ORDER DISMISSING PROCEEDING

On May 3, 1993, Virginia Gas Company ("VGC") filed with the State Corporation Commission ("Commission") notification pursuant to Virginia Code § 56-265.4:5 of its intent to provide gas service under Virginia Code § 56-265.1(b)(4) to five customers; Village Motel & Restaurant, Pizza Hut-Rage, Inc., St. Paul Builders & Supply Company, Inc., Buchanan General Hospital, and the YMCA of Buchanan County, Inc. The latter two of the above-listed customers are located in Buchanan County, Virginia. The remaining customers are located in the Town of Castlewood, Virginia. In Case No. PUE930013, an affiliate of VGC, Virginia Gas Distribution Company, made application to provide certificated gas service to the Town of Castlewood. The certificate was granted on August 4, 1993. Consequently, service to customers within the Town of Castlewood is being provided by Virginia Gas Distribution Company and the instant notification now concerns only the customers in Buchanan County, Virginia.

On July 7, 1993, the Commission entered an Order docketing the proceeding and notifying all public utilities providing gas service in the Commonwealth of VGC's plans to furnish gas service and advising jurisdictional natural gas public utilities that they could file an application to provide natural gas service in the area identified in VGC's application documents within sixty days of the entry of that Order.

Sixty days have now elapsed from the entry of the Order of July 7, 1993, and no jurisdictional public utility has filed an application to provide natural gas service within the area identified in the captioned application.

NOW THE COMMISSION, upon consideration of the foregoing, is of the opinion and finds that this matter should be dismissed.

Accordingly, IT IS ORDERED that this matter 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. PUE930035
MAY 28, 1993

APPLICATION OF
COMMONWEALTH GAS SERVICES, INC.

For an expedited increase in natural gas rates

ORDER IMPLEMENTING INTERIM RATES

On May 4, 1993, Commonwealth Gas Services, Inc. ("Commonwealth" or "Company") filed an application for an expedited increase in its natural gas rates. In the application, Commonwealth proposed to delay the effective date of the proposed rates for either 150 days from the date of the application or for 30 days following the issuance of the Final Order in its pending rate application, Case No. PUE920037, whichever came first.

By letter dated May 28, 1993, however, Commonwealth has now proposed to implement the interim rates in the instant case on June 1, 1993. The Company is currently collecting interim rates, subject to refund, in Case No. PUE920037. Implementing the proposed interim rates in the instant case at this time, rather than at some later date, results in an immediate decrease to ratepayers.

UPON CONSIDERATION of the application and the applicable statutes, as well as the Company's letter request of May 28, 1993, the Commission finds that this matter should be docketed and that the rates proposed by Commonwealth should be implemented on an interim basis, subject to refund, beginning June 1, 1993. Accordingly,

IT IS ORDERED:

(1) That the captioned application is hereby docketed and assigned Case No. PUE930035; and,

(2) That the Company's proposed rates shall be implemented on an interim basis, subject to refund, beginning June 1, 1993.

CASE NO. PUE930040
AUGUST 2, 1993

APPLICATION OF
KENTUCKY UTILITIES COMPANY, d/b/a OLD DOMINION POWER COMPANY

For establishment of its fuel factor

ORDER ESTABLISHING 1993/94 FUEL FACTOR

On May 13, 1993, Kentucky Utilities Company, d/b/a Old Dominion Power Company ("KU" or "the Company"), filed a motion requesting additional time to submit its fuel factor and supporting data. On May 21, 1993, the Commission granted KU's motion extending the required filing date to June 18, 1993. Pursuant to that Order, KU filed an application and supporting documents requesting a reduction in its currently operative fuel factor from 1.314¢ per kwh to 1.256¢ per kwh.

Additionally, as a result of settling a fuel supply contract dispute with South East Coal Company ("South East") for overcharges from 1985 through 1989, the Company proposed to credit $2,231,254 to Virginia jurisdictional customers over twelve months beginning August 1, 1993 through a separately stated billing credit of .306¢ per kwh. From 1985 through 1989, KU deposited the disputed overcharges with the Circuit Court for Fayette County Kentucky. During this time period, KU had calculated its fuel adjustment cost factors on the basis of the price of fuel as invoiced by South East, which included the amounts deposited with the court. The separately stated credit represents a refund of the fuel cost resulting from the overcharges of South East to KU.

By Order dated June 30, 1993, the Commission established a procedural schedule and set a hearing date. In that regard, the Commission directed its Staff to file a report on the reasonableness of KU's application and provided an opportunity for any person desiring to participate in the hearing to do so as a Protestant. No notice of protest or protest was received in this proceeding.

On July 22, 1993, Commission Staff filed its report. Based upon actual recovery of fuel expenses through June 30, 1993, and projected fuel expenses through July 31, 1994, Staff proposed that the fuel factor be further reduced to 1.251¢ per kwh, effective for bills rendered on and after August 1, 1993. Staff found that for purposes of fuel factor projections, the assumptions driving the proposed fuel factor were reasonable; however, Staff found that the forecasting models used by the Company in this filing to predict its residential energy sales and outdoor and street lighting sales were misspecified. Staff recommended that the Company be required to improve the identified forecasting models for next year's fuel factor filing.

Staff further found that the proposed separately stated billing credit of South East settlement proceeds represents a logical approach within the bounds of traditional Commission practices and recommended Commission approval of same. Additionally, Staff recommended that KU formally adopt the Commission's definitional framework for fuel expenses to maintain consistency between investor-owned electric utilities with respect to the establishment of costs subject to fuel factor recovery.

On July 26, 1993, KU filed its rebuttal testimony taking issue with Staff's assertion that the Company's residential energy sales and outdoor and street lighting models are misspecified. In all other respects the Company concurred with Staff's report.

The hearing of this case was held on July 28, 1993. At the commencement of the hearing, counsel for KU and Commission Staff represented that their clients were willing to work together to find an appropriate resolution to their differences with respect to revising KU's residential energy sales and outdoor and street lighting models for next year's fuel factor filing. This agreement resulted in the elimination of all issues between applicant and Staff. Accordingly, the Company tendered its proof of service and the Company's application, testimony and exhibits as well as Staff's Report were admitted into the record without need for cross examination.

Upon consideration of the record in this case, the Commission is of the opinion that a decrease in the Company's zero based fuel factor to 1.251¢ per kwh as well as the separately stated billing credit of .306¢ per kwh is appropriate. Approval of this fuel factor and billing credit, however, is not to be construed as approval of the Company's actual fuel expenses. Commission Staff files a report annually which addresses the reasonableness of the Company's actual fuel expenses ("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 an opportunity to comment and request a hearing on the report. Should the Commission find, based on the foregoing, that the Company's actual fuel expenses have been imprudent, the Company's recovery position will be adjusted. This adjustment will be reflected in the Company's next fuel factor.

The Commission also finds that to maintain consistency between investor-owned electric utilities with respect to the establishment of costs subject to fuel factor recovery, the following definitional framework of fuel expenses should be established for Kentucky Utilities:

DEFINITIONAL FRAMEWORK OF FUEL EXPENSES

a. The cost of fossil fuels shall be those items initially charged to account 151 and cleared to accounts 501, 518 and 547 on the basis of fuel used. In those instances where a fuel stock account (151) is not maintained, e.g., gas for combustion turbines, the amount shall be based on the cost of fuel consumed and entered in account 547.

b. The cost of nuclear fuel shall be the amount contained in account 518, excluding lease finance charges, except that if account 518 also contains any expense for fossil fuel which has already been included in the cost of fossil fuel, it shall be deducted from this account.

c. Total energy costs associated with purchased power and charged to account 555 shall be recoverable as fuel costs. The demand component of such power purchases shall be recoverable as fuel costs except when such purchases are made for reliability reasons or the maintenance of reserve margin requirements.

d. All refunds of fuel costs resulting from overcharges, late delivery, or any other reason and all recoveries and adjustments of whatever nature affecting the price of fuel shall be passed on through these proceedings.

e. Company shall be permitted to adjust for system losses through development of a fuel factor based upon fuel costs divided by sales or through the application of a separately derived loss factor applied to a fuel factor based on net energy requirements.

f. Company shall be permitted to adjust its fuel factor to recover gross receipts taxes.

The Commission further finds that KU and Commission Staff should work together to find an appropriate resolution to their disagreement over what constitutes an appropriate model to predict residential energy sales and outdoor and street lighting sales for KU to use in its next fuel factor filing.

Accordingly,

IT IS ORDERED:

(1) That a zero based fuel factor of 1.251¢ per kwh is hereby approved effective with billing August 1, 1993;

(2) That the separately stated billing credit of South East settlement proceeds of .306¢ per kwh effective with billing August 1, 1993, and continuing over the next twelve months be and is hereby approved;

(3) That the definitional framework of fuel expenses as outlined herein is adopted for KU, and shall become effective August 1, 1993; and

(4) That Commission Staff and KU are directed to make reasonable efforts to find an appropriate resolution of their dispute over what constitutes an acceptable model for prediction of residential energy sales and outdoor and street lighting sales for use in KU's next fuel factor filing.

CASE NO. PUE930041
JUNE 29, 1993

APPLICATION OF
DELMARVA POWER & LIGHT COMPANY

To revise its fuel factor pursuant to Va. Code § 56-249.6

ORDER ESTABLISHING 1993/94 FUEL FACTOR

On May 14, 1993, Delmarva Power & Light Company ("Delmarva" or "the Company") filed with the Commission an application, together with written testimony, exhibits and proposed tariffs requesting an increase in its fuel factor from 1.843¢ per kwh to 1.994¢ per kwh. As directed by the Commission in last year's fuel factor proceeding, Case No. PUE920036, Delmarva also addressed its current practice of recovering nuclear fuel lease finance charges through its fuel factor as opposed to recovering such costs through the Company's base rates. Delmarva stated that the Company continues to believe it is appropriate to recover nuclear fuel lease finance charges through its fuel factor; however, in the event the Commission should require the recovery of such costs through base rates, Delmarva requested that the change in methodology be effective coincident with the Company's next change in base rates. Delmarva currently has an application for an increase in its base rates pending before the Commission in Case No. PUE930036. The proposed base rates are scheduled to become effective on October 5, 1993, subject to refund.

By order dated May 24, 1993, the Commission established a procedural schedule and set a hearing date. In that regard, the Commission directed its Staff to file testimony and provided an opportunity for any person desiring to participate in the hearing to do so as a Protestant. No notice of protest or protest was received in this proceeding.

On June 11, 1993, Commission Staff filed its report. Based upon actual recovery of fuel expenses through April 30, 1993, and projected fuel expenses through June 30, 1993, Staff proposed that the fuel factor be further reduced to 1.985¢ per kwh, effective for the billing month of July, 1993. With respect to the financing costs associated with Delmarva's nuclear fuel, Staff recommended base rate recovery. Rather than adjust the fuel factor in this case, Staff recommended allowing the deferred accounting mechanism to capture the change in treatment of the finance charges. Staff agreed to Delmarva's suggestion to implement this approach with its next base rate change scheduled for October 5, 1993, in Case No. PUE930036. Accordingly, Staff noted that the Definitional Framework of Fuel Expenses for Delmarva set forth in the March 21, 1984, order in Case No. PUE8400004, should be amended to exclude lease finance charges from fuel factor recovery.

On June 16, 1993, counsel for Delmarva filed a letter herein stating Delmarva's agreement with Staff's correction factor update. With respect to recovering nuclear fuel lease charges, the Company stated that in view of the amount involved, Delmarva does not oppose Staff's recommendation for base rate recovery.

The hearing of this case was held on June 21, 1993. The Company tendered its proof of service and the Company's application, testimony, and exhibits were admitted into the record. Staff made corrections to its report and it was admitted into the record. The Company took no exceptions to Staff's testimony, as corrected.

Upon consideration of the record in this case, the Commission is of the opinion that an increase in Company's zero-based fuel factor to 1.985¢ per kwh is appropriate, based in part on projected fuel expenses. Approval of this fuel factor, however, is not to be construed as approval of

Company's actual fuel expenses. Commission Staff files a report annually which addresses the reasonableness of the Company's actual fuel expenses ("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 an opportunity to comment and request a hearing on the Report. Should the Commission find, based upon the foregoing, that the Company's actual fuel expenses have been imprudent, the Company's recovery position will be adjusted. This adjustment will be reflected in the Company's next fuel factor.

The Commission further finds that Delmarva's Definitional Framework of Fuel Expenses set forth in the Order Setting Fuel Factor and Cogeneration Rate dated March 21, 1984, in Case No. 840004, shall be amended by adding the following underscored language in section b:

> The cost of nuclear fuel shall be the amount contained in account 518, excluding lease finance charges, except that if account 518 also contains any expense for fossil fuel which has already been included in the cost of fossil fuel, it shall be deducted from this account.

This amendment shall become effective on October 5, 1993, the same day that base rates are scheduled to become effective, subject to refund, in the Company's pending general rate case, Case No. PUE9300036, and will be applicable to the determination of both the "in-factor" projection and the "correction factor" components of the Company's next fuel factor. This will result in nuclear fuel finance charges being recovered through the fuel factor approved herein until base rates go into effect in the general rate case, subject to refund. Therefore, the 1.985¢ per kwh fuel factor approved herein to become effective with the billing month of July 1993 does not reflect the amendment to Delmarva's Definitional Framework of Fuel Expenses. Accordingly,

IT IS ORDERED:

(1) That a zero-based fuel factor of 1.985¢ per kwh is hereby approved effective for the billing month of July 1993;

(2) That the Definitional Framework of Fuel Expenses for Delmarva is amended as discussed herein to exclude lease finance charges of nuclear fuel;

(3) That the amendment to Delmarva's Definitional Framework of Fuel Expenses shall become effective October 5, 1993, the same day that base rates are scheduled to become effective, subject to refund, in Case No. PUE930036; and

(4) That this case is continued generally.

CASE NO. PUE930051
OCTOBER 19, 1993

APPLICATION OF
VIRGINIA NATURAL GAS, INC.

For approval of a modification to certificate no. GT-66 under the Utility Facilities Act pursuant to Virginia Code § 56-265.2

ORDER GRANTING CERTIFICATE MODIFICATION

On July 15, 1993, Virginia Natural Gas, Inc. ("VNG") filed an application requesting the Commission to approve, pursuant to Va. Code § 56-265.2, the construction and operation of a measurement and regulation station ("Proposed Facility") to be located in Stafford County, Virginia for the purpose of tapping the natural gas pipeline that the Commission approved in its Final Order dated September 9, 1988 in Case No. PUE860065 (1988 S.C.C. Ann. Rept. 257). VNG represents that the proposed facility would be used to provide service near Fredericksburg, Virginia to the Commonwealth Gas Services, Inc. ("CGS") gas distribution system.

In support of its application VNG stated that in Case Nos. PUE860065 and PUE900038 the Commission approved VNG's application for construction of a natural gas pipeline from eastern Faquier County through Stafford County to James City County and issued all appropriate Certificates of Public Convenience and Necessity for the pipeline.

VNG represented that since the granting of Certificate of Public Convenience and Necessity No. GT-66 to VNG to construct and operate its pipeline in Stafford County, VNG and CGS have agreed in principal to an exchange of gas that would involve delivery of gas by VNG to CGS near Fredericksburg. VNG further represented that VNG and CGS are negotiating a gas exchange agreement to be effective during the 1993-1994 and 1994-1995 winter periods which will benefit both parties, will be in the public interest, and will require the establishment of the Proposed Facility on the VNG Joint-Use Pipeline near Fredericksburg.

Accordingly, VNG requests modification to Certificate of Public Convenience and Necessity No. GT-66, enabling VNG to construct, or to provide for the construction of, the Proposed Facility to tap its pipeline and to measure and regulate the delivery of natural gas to the gas distribution system of CGS in Stafford County, Virginia.

By order dated September 23, 1993, the Commission established a procedural schedule for this matter. In that regard, the Commission directed its Staff to file a report and provided an opportunity for interested persons to file comments and/or request a hearing on this application. On October 7, 1993, CGS filed a letter supporting VNG's application. No other comments or requests for hearing were received in this proceeding.

On October 7, 1993, Commission Staff filed its report. In its report Staff recommended that VNG's application to construct and operate the Proposed Facility in Stafford County to provide gas to CGS' distribution system in and around Fredericksburg, Virginia be approved. In

support of its recommendation, Staff noted that construction of the Proposed Facility is necessary to implement the gas exchange agreements currently being negotiated between VNG and CGS. Staff found the gas exchange agreements to be desirable because they will enable CGS to meet its peak-day demands in the Fredericksburg area and enable VNG to more easily respond to load growth in its service area south of Hampton Roads.

On October 12, 1993, VNG filed its proof of compliance with all required notice provisions.

Upon consideration of the record in this case, the Commission is of the opinion and finds that VNG's application should be approved. Accordingly,

IT IS ORDERED that the Certificate of Public Convenience and Necessity No. GT-66 authorizing VNG to construct and operate a gas transmission line in Stafford County should be modified to enable VNG to construct, or to provide for the construction of, the necessary facilities to tap its pipeline and to measure and regulate the delivery of natural gas to the gas distribution system of CGS in Stafford County, Virginia.

CASE NO. PUE930053
NOVEMBER 29, 1993

APPLICATION OF
PUBLIC SERVICE COMPANY OF VIRGINIA

For cancellation of a certificate of public convenience and necessity

ORDER CANCELING CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY

By order dated July 23, 1970, Public Service Company of Virginia ("Company") was granted a certificate of public convenience and necessity (Certificate No. W-161) authorizing it to provide water service to customers of the Tiffany subdivision. The Tiffany subdivision is located in Greenwood, Virginia.

By letter dated May 3, 1993, Company requested the Commission to cancel that certificate. In support of its request, Company stated that it currently had only twenty-four (24) customers and that no further expansion of its customer base was possible in the long-term.

Company provided additional support for its request, pursuant to a November 4, 1993 letter from Company's president, Mr. Joseph M. Casero. In that letter, Mr. Casero noted that the previous owner intended to create several subdivisions, but now, there was no possibility of such expansion as there were no plans to subdivide the property and the surrounding areas were already served by private wells. The Company's president also stated that it was Company's intent to continue to provide water service to all of its customers and that decertification would not change its operations.

NOW THE COMMISSION, having considered Company's request and Virginia Code §§ 56-265.3 and 56-265.1(b)(1), is of the opinion that this request should be granted. Code § 56-265.3 requires a company to have a certificate to provide water service if it is a "public utility." Company, however, pursuant to § 56-265.1(b)(1) of the Code, does not fall within the statutory definition of a "public utility" as it has less than fifty (50) customers. Notwithstanding cancellation of the certificate, § 56-265.1(b)(1) prevents Company from abandoning service without Commission approval or agreement of all its customers. The Commission notes, however, that Company, in its letter of November 4, 1993, has confirmed its intent to continue providing water service to all of its customers. Accordingly,

IT IS ORDERED:

(1) That Certificate No. W-161 is hereby canceled; and

(2) That there being nothing further to be done, this matter 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. PUE930054
AUGUST 23, 1993

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION

Ex Parte, In re: Investigation of the rules governing electric cooperative rate cases and rate regulation of electric cooperatives

ORDER INITIATING INVESTIGATION

On March 1, 1983, and on April 11, 1985, the State Corporation Commission ("Commission") adopted rules governing rate filings for jurisdictional electric distribution cooperatives ("cooperatives"). See Commonwealth of Virginia, At the relation of the State Corporation Commission, Ex Parte: In the matter of adopting rules for expedited rate increases for electric cooperatives, Case No. PUE820087, Final Order, 1983 S.C.C. Ann. Rept. 403. See also Commonwealth of Virginia, At the relation of the State Corporation Commission, Ex Parte: In the matter of amending rules for expedited rate increases for electric cooperatives and requiring cooperatives to file certain schedules for general rate cases, Case

No. PUE840052, Order Adopting Amendments to Rules and Requiring Cooperatives to File Certain Schedules for Rate Cases, 1985 S.C.C. Ann. Rept. 430. Our experience under these rules, as revised, demonstrates that there is some confusion among rate case participants as to how financial viability of electric cooperatives should be measured and how just and reasonable rates for these utilities should be established in general and expedited rate proceedings. In addition, we have observed that cooperative rate applicants and proceeding participants have experienced difficulty in defining which issues should be addressed only in general rate proceedings and which may be raised in an expedited proceeding. Often the applicant and participants are uncertain how to proceed when an issue, arguably improper in an expedited case, is discovered after the rates are implemented and the time to request a hearing has passed. Further, Staff has advised that various terms used in the current rules, e.g. "jurisdictional" customers, need clarification, and that additional data, e.g., cost of service studies, should be included as part of rate applications to expedite Staff's evaluation of these applications.

On the other hand, we recognize that rate proceedings involve a commitment of resources on the part of electric cooperatives. This commitment is complicated by the fact that a cooperative's customers are also its member-owners. Thus, the time and expense devoted to a rate hearing affect the cooperative's customers not only through the rates they pay as ratepayers, but also through the margins available to be returned to them as owner-members.

Finally, Staff has advised us that various cooperative representatives have made informal inquiries to explore alternative regulatory procedures and rules for cooperative rate regulation. Consequently, we believe it is appropriate to docket this investigation to consider generally whether the procedures currently followed in cooperative rate proceedings should be streamlined and, specifically, whether the current rules governing rate filings should be further revised.

As a first phase in conducting this investigation, we will direct our Staff to investigate the current procedures and rules governing cooperative rate proceedings and consider whether their revision is appropriate. Data requests, surveys, and informal meetings with cooperatives and customer groups should be a part of its research. We encourage the meaningful input of interested persons in our investigation of the appropriate policy to govern cooperative rate regulation. We anticipate that there are many cooperatives and customers who will serve as rich informational resources to us during this investigation.

We shall also direct our Staff to summarize its investigatory procedures, findings, and recommendations in a report to be filed with the Commission on or before December 30, 1993. We anticipate that Staff's report will serve as a basis of proposed rules and policies which will be the subject of public notice, comment, and opportunity for hearing in the second phase of this proceeding. Accordingly,

IT IS ORDERED:

(1) That this matter shall be docketed and assigned Case No. PUE930054;

(2) That the Staff is directed to conduct a general investigation regarding the issues described herein and shall file a report on or before December 30, 1993, with the Commission which describes Staff's investigatory procedures, findings, recommendations, and any proposed rules which it believes should be considered by the Commission;

(3) That all Virginia cooperatives shall respond fully and promptly to Staff's request for data regarding the issues raised herein; and

(4) That other interested persons be given an opportunity to submit data and information pertinent to the Staff's inquiry.

CASE NO. PUE930055
SEPTEMBER 1, 1993

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
LAKE HOLIDAY ESTATES UTILITY COMPANY

ORDER DOCKETING THE MATTER AND DECLARING COMPANY'S PROPOSED INCREASE INTERIM AND SUBJECT TO REFUND

In a letter dated July 1, 1993, Lake Holiday Estates Utility Company ("Holiday Estates" or "Company") notified its customers and the Commission's Division of Energy Regulation ("the Division") pursuant to the Small Water or Sewer Public Utility Act of its intent to increase its tariff effective September 1, 1993.

Company's proposed increase in tariff is as follows:

Water Rates - $18.00 minimum per 10,000 gallons
- $ 2.85 per 1,000 gallons over minimum

Sewer Rates - $24.00 minimum per 10,000 gallons
- $ 3.00 per 1,000 gallons over minimum

Company also proposes to increase its connection fee for water and sewer service to $2,200.00.

By August 30, 1993, the Division had received objections to the proposed increase in tariff from approximately 230, or 26 % of Company's customers.

NOW THE COMMISSION, having considered the number of complaints received by the Division, is of the opinion that a hearing should be scheduled pursuant to § 56-265.13:6. It, however, is appropriate to allow the Company an opportunity to verify that the complaints are all from customers. Therefore, we will delay setting the hearing until a later date.

The Commission is also of the opinion that Company's proposed tariff rates should be declared interim and subject to refund effective September 1, 1993. Accordingly,

IT IS ORDERED:

(1) That this matter is docketed and assigned Case No. PUE930055;

(2) That the increase in Company's tariff shall be declared interim and subject to refund for service rendered on and after September 1, 1993, until such time as the Commission has determined this case; and

(3) That this matter shall be continued subject to further order of the Commission.

CASE NO. PUE930055
NOVEMBER 10, 1993

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
LAKE HOLIDAY ESTATES UTILITY COMPANY

DISMISSAL ORDER

In a letter dated July 1, 1993, Lake Holiday Estates Utility Company ("Holiday Estates" or "Company") notified its customers and the Commission's Division of Energy Regulation ("the Division") pursuant to the Small Water or Sewer Public Utility Act of its intent to increase its tariff effective September 1, 1993. By August 30, 1993, the Division had received objections to Company's proposed increase from approximately 230, or 26 percent, of Company's customers. By order dated September 1, 1993, the Commission docketed the matter and declared Company's proposed rates to be interim and subject to refund for service rendered on and after September 1, 1993.

By letter dated September 14, 1993, Carl H. Simms, president of Holiday Estates, notified the Division that Company was withdrawing its request for an increase in its tariff. The Division's Staff confirmed an earlier telephone conversation with Mr. Simms pursuant to a letter dated October 27, 1993, from Mr. John A. Stevens. In that letter Mr. Stevens confirmed that Company had never implemented its proposed rate increase due to be effective September 1, 1993.

NOW THE COMMISSION, having considered Company's request, is of the opinion that the above-referenced matter should be dismissed from the Commission's docket of active cases. The Commission, having noted Staff's letter of October 27, 1993, is of the further opinion that no customer refund is due. Accordingly,

IT IS HEREBY ORDERED that this case shall be dismissed from the Commission's docket of active cases and the papers placed in the file for ended causes.

CASE NO. PUE930057
DECEMBER 14, 1993

APPLICATION OF
DELMARVA POWER AND LIGHT COMPANY

For approval of the conservation and load management aspects of its commercial loan program and the sale from time to time of the notes thereunder

DISMISSAL ORDER

On September 2, 1993, Delmarva Power and Light Company ("Delmarva") filed an application requesting Commission approval of the conservation and load management aspects of the Company's proposed Commercial Loan Program ("Proposed Program") and the sale from time to time of the notes executed in connection therewith. Delmarva is proposing to make loans to its commercial and industrial customers for the purchase of energy saving equipment and equipment installed to serve its customers' energy needs. The loans will be used to finance items used only for business purposes of the borrowers. The loans are expected to be made to governmental entities, hospitals, corporations, partnerships and sole proprietorships.

Borrowers will be required to execute notes evidencing their loans. Delmarva intends to sell such notes, from time to time as they are made to Nova Northwest, Inc., which is a finance company. Delmarva will collect a monthly payment from each borrower consisting of principal plus interest specified in the note. Delmarva will then pay the finance company a monthly payment consisting of principal plus interest as specified

in the agreement between the parties. The Company proposes that the revenues and expenses of the program be treated as unregulated for rate-making purposes.

The Commission upon consideration of this matter, is of the opinion and finds that Delmarva's application should be dismissed as the Proposed Program described in Delmarva's application requires no Commission approvals . The Commission's Promotional Allowance Rules do not apply as Delmarva does not seek cost recovery of the proposed program. The Commission's Demand Side Management ("DSM") Cost/Benefit Measurement Rules ("DSM C/B Rules") do not apply for the same reason. Accordingly, no approval under the DSM C/B Rules is necessary. Furthermore, no approval under Chapter 3 of Title 56 of the Code of Virginia is needed, as the Company is neither issuing the notes in question nor acting as a guarantor, endorser, surety or otherwise with respect to said notes. Accordingly,

IT IS ORDERED that Delmarva's application filed herein be and it hereby is dismissed from the docket and the papers placed in the file for ended causes.

CASE NO. PUE930058
DECEMBER 13, 1993

APPLICATION OF
SMITH MOUNTAIN WATER COMPANY, INC.

For an increase in rates pursuant to Virginia Code § 265.13:1, et seq.

DISMISSAL ORDER

On August 16, 1993, Smith Mountain Water Company ("Smith Mountain" or "Company") notified its customers, pursuant to the Small Water or Sewer Public Utility Act, of its intent to increase its rates for water service effective October 1, 1993. By Order dated September 30, 1993, the Commission scheduled a hearing on the matter, declared Company's proposed rates to be interim and subject to refund for service rendered on and after October 1, 1993 and established a procedural schedule for the filing of pleadings, testimony and exhibits.

On October 28, 1993, the Commission Staff, by its counsel, filed a motion to dismiss Smith Mountain's application. In its motion, Staff alleged the following:

(1) That Company had not provided public notice of its application;

(2) That Company had failed to respond to Staff's Interrogatories and Requests for Documents;

(3) That Company's President, Robert A. Winney, had failed to respond to a letter from Ronald A. Gibson, Director of the Commission's Division of Public Utility Accounting, in which Mr. Gibson advised Mr. Winney that Staff would seek dismissal of Company's application if certain information was not forthcoming;

(4) That Company had not filed its prepared testimony and exhibits to support its application; and

(5) That Company's President, when contacted by telephone, did not explain Company's failure to answer Staff's interrogatories or explain Company's failure to file prepared testimony and exhibits.

Subsequently, in a November 1, 1993 Ruling, the Hearing Examiner directed Smith Mountain to file any response to Staff's motion to dismiss on or before November 10, 1993. Company filed no such response.

In a November 22, 1993 Hearing Examiner's Ruling, the Examiner granted Staff's motion to dismiss and directed that the December 16, 1993 hearing be canceled. In granting Staff's motion to dismiss, the Examiner specifically noted the conduct of Company's president, the failure of Company to comply with the most basic requirements of the Commission's September 30, 1993 Order and the impossibility of a Staff investigation to determine the reasonableness of Company's proposed rate increase. The Examiner recommended that the Commission enter an order dismissing Company's application and directing Company to refund all amounts collected under its interim rates in excess of Company's permanently approved rates.

NOW THE COMMISSION, having considered the record and the Examiner's recommendations, is of the opinion that such recommendations are reasonable and should be adopted. Accordingly,

IT IS ORDERED:

(1) That, on or before May 31, 1994, Company shall complete the refund of all revenues collected from the application of the rates which were effective for service rendered on and after October 1, 1993, to the extent that those revenues exceed, on an annual basis, the revenues which would have been collected by the application of the permanent rates approved in Case No. PUE880018 (See tariff included as Attachment A);

(2) That, for current customers, the refunds ordered in ordering paragraph (1) above shall be accomplished by credit to the appropriate customer's account. Refunds to former customers may be made by a check to the last known address of such customers when the refund amount is $1.00 or more. Smith Mountain 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 of the balance. Company may retain refunds owed to the former customers when such refund amount is less than $1.00; however, Company will 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

contact Company and request refunds, such refunds shall be made promptly. All unclaimed refunds shall be handled in accordance with Virginia Code § 55-210.6:2;

(3) That, on or before June 30, 1994, Smith Mountain shall file with the Staff a document showing that all refunds have been lawfully made pursuant to this Order. Said document shall itemize the amount of the refund, method of refund, the customer account refunded, the costs associated with making the refund, and, the Company account charged;

(4) That Smith Mountain shall bear all costs of the refunds directed in this Order; and

(5) That there being nothing further to be done herein, this matter shall be dismissed from the Commission's docket of active cases and the papers placed in the file for ended causes.

NOTE: A copy of Attachment A entitled "Water Rates" 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. PUE930060
OCTOBER 19, 1993

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

To revise its fuel factor pursuant to Virginia Code § 56-249.6

DISMISSAL ORDER

On September 17, 1993, Virginia Electric and Power Company ("Virginia Power" or "Company") filed with the Commission written testimony, exhibits, and proposed tariffs intended to increase its zero-based fuel factor from 1.418¢/kwh to 1.460¢/kwh effective for usage on and after November 1, 1993.

By Order dated September 22, 1993, the Commission established a procedural schedule and set a hearing date. In that regard, the Commission directed its Staff to file a report and provided an opportunity for any interested person to participate in the proceeding as a Protestant. Notices of Protest were received from the Virginia Committee for Fair Utility Rates and the City of Chesapeake, Virginia.

On October 12, 1993, Virginia Power filed a Motion to Withdraw Application and For Ruling requesting that it be permitted to withdraw its application to revise its fuel factor and further requesting the Commission:

> to rule specifically that under the Energy Policy Act of 1992, the special assessment for decontamination and decommissioning is a nuclear fuel expense properly charged to FERC Account 518 when paid and fully recoverable as other nuclear fuel expenses through the Virginia jurisdictional fuel clause.

(Motion, at 1.)

In its Motion, and in a Supplement filed on October 13, 1993, Virginia Power advised that neither the Protestants, the Commission Staff nor the Attorney General had objection to the granting of the requested relief.

NOW THE COMMISSION, upon consideration of the record, is of the opinion and finds that the Motion to Withdraw Application should be granted. Since the case will not be litigated, it is not necessary for the Commission to rule on the issue of the special assessment imposed by the Energy Policy Act of 1992 ("Act") for the Uranium Enrichment Decontamination and Decommissioning Fund. However, the Commission notes that § 1802 of the Act states, in pertinent part, that those assessments "shall be deemed a necessary and reasonable current cost of fuel and shall be fully recoverable in rates [.]" Accordingly,

IT IS ORDERED:

(1) That the Motion to Withdraw Application is granted;

(2) That Virginia Power's zero-based fuel factor of 1.418¢/kwh, as approved by Order in Case No. PUE920048, shall continue in effect; and

(3) That there being nothing further to come before the Commission this matter shall be dismissed from the Commission's docket of active cases and the papers filed herein transferred to the file for ended causes.

CASE NO. PUE930062
OCTOBER 28, 1993

APPLICATION OF
VIRGINIA NATURAL GAS, INC.

To revise Rate Schedules 6, 7 and 9

PRELIMINARY ORDER

On October 1, 1993, Virginia Natural Gas, Inc. ("VNG" or "the Company") filed an application to revise the following rate schedules: Rate Schedule 6 - High Load Factor Firm Gas Delivery Service; Rate Schedule 7 - General Firm Gas Delivery Service; and Rate Schedule 9 - Interruptible Gas Delivery Service. VNG's application states that the changes to Schedules 6 and 7 are necessary to pass on to transportation customers any penalty assessed by upstream gas suppliers in accordance with FERC Order 636. FERC Order 636 subjects VNG and its end-users to daily balancing requirements. VNG's currently effective tariffs are premised on monthly balancing by upstream pipelines.

VNG also proposes to amend Paragraph III.D. of Rate Schedule 9 in order to maintain this Schedule as an interruptible service. The proposed revision to Rate Schedule 9 provides that a customer's ability to withdraw gas volume from its bank is subject to interruption on a daily basis. VNG anticipates situations during which it will lack capacity to make deliveries of gas to end-users from the end-users' inventory accounts, i.e., customer banks. VNG proposes to defer the delivery of gas from an end-user's inventory account during periods of limited capacity, and then resume such deliveries when capacity is available.

VNG states that it does not propose any changes to the rates and charges for Schedules 6, 7 and 9. Thus, VNG's application represents that it proposes no increase in its overall revenues.

NOW, upon consideration of the Company's application and the applicable statutes, the Commission is of the opinion and finds that this matter should be docketed, and that these proposed tariff revisions should be permitted to become effective on an interim basis, subject to refund. We further find that VNG should keep detailed records of the penalties, if any, assessed to customers while the proposed tariffs are effective on an interim basis.

Accordingly, IT IS ORDERED:

(1) That the captioned matter is hereby docketed and assigned Case No. PUE930062;

(2) That the proposed tariff revisions shall become effective for service rendered on and after November 1, 1993, on an interim basis, subject to refund under Va. Code § 56-240;

(3) That VNG shall keep detailed records of the amounts of any penalties and the identity of any customer to whom penalties are assessed, during the period in which these tariff revisions remain interim; and

(4) That this matter shall be continued until further Order of the Commission.

CASE NO. PUE930063
OCTOBER 19, 1993

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
WILDERNESS UTILITY ASSOCIATES, INC., t/a WILDERNESS WATER and UTILITY COMPANY

ORDER DOCKETING THE MATTER AND DECLARING COMPANY'S PROPOSED INCREASE INTERIM AND SUBJECT TO REFUND

On October 4, 1993, Wilderness Utility Associates, Inc, t/a Wilderness Water Utility Company ("Wilderness" or "Company") notified its customers and the Commission's Division of Energy Regulation ("the Division") pursuant to the Small Water and Sewer Act of its intent to increase its tariff effective November 22, 1993.

By October 12, 1993, the Staff of the Commission's Division of Energy Regulation had received a number of complaints regarding Company's proposed rate increase. In addition, Staff noted that Company is still experiencing problems in regard to its water service and that Company's books have not been audited since 1986. For the foregoing reasons, Staff recommended that the Commission set the matter for hearing.

Now the Commission, having considered Company's proposed increase, customers' objections and Staff's recommendation, is of the opinion that a hearing should be scheduled pursuant to Virginia Code § 56-265.13:6. The Commission is also of the opinion that Company's proposed tariff rate should be declared interim and subject to refund effective November 22, 1993. A scheduling order with the specific dates for notice and hearing and filing of testimony and exhibits will be forthcoming. Accordingly,

IT IS ORDERED:

(1) That this matter is docketed and assigned Case No. PUE930063;

(2) That the increase in Company's tariff shall be declared interim and subject to refund for services rendered on and after November 22, 1993 until such time as the Commission has determined this case; and

(3) That the matter should be continued subject to further order of the Commission.

CASE NO. PUE930068
DECEMBER 17, 1993

APPLICATION OF
VIRGINIA NATURAL GAS, INC.

For waiver of gas pipeline safety requirements of 49 C.F.R. Part 193

ORDER GRANTING WAIVER

The Natural Gas Pipeline Safety Act, 49 U.S.C. Section 167 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 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 in Virginia ("Safety Standards"). Pursuant to 49 U.S.C. Section 1672(d) the Commission may waive compliance with a Safety Standard upon its determination that the waiver is not inconsistent with gas pipeline safety, provided the U.S. Secretary of Transportation is given written notice at lease 60 days prior to the effective of the waiver.

On September 1, 1993, Virginia Natural Gas, Inc. ("VNG" or "the Company") mailed a letter to the Commission's Division of Energy Regulation requesting a waiver of the Safety Standards found at 49 C.F.R. Part 193 which regulate Liquefied Natural Gas ("LNG") facilities. In particular, the Company requests permission to use portable LNG injection units for emergency use during cold weather conditions in the Company's Courthouse/Sandbridge area located in the Southern Virginia Beach and in the Southern Chesapeake areas.

VNG states that it first recognized its system deficiency last winter and began an intense construction program this summer to provide additional system capacity through backfeed and redundant feeder mains. To meet current loads, as well as projected load growth, Company plans to construct a new 15-mile large diameter, high pressure distribution pipeline from its Southern Division Gate Station to the Courthouse/Sandbridge vicinity of Virginia Beach. Permitting, processing and construction of this pipeline will require a minimum of 24 months. VNG states that the pipeline will not be available for full service until December 1995 at the earliest, even though portions of it may be placed in service earlier and contribute to the alleviation of the deficiencies.

Notwithstanding the system improvements which have been accomplished this summer, VNG believes the most prudent means to address its isolated low pressure conditions and potential customer outages in the above described areas is to provide for the temporary use of a portable LNG injection units. The Company proposes to site this equipment at the two separate locations described above for the December through March period of the next two winter seasons (1993 - 94 and 1994 - 95). The Company will insure gas ordorization and the use of industry accepted safe operating practices including site security.

On November 12, 1993, the Commission entered an Order for Notice and Inviting Comments ("Order") which treated the Company's letter of September 1, 1993 as an application for waiver ("Application" or "Request for Waiver") and prescribed the notice VNG must give of its Application. VNG was required to serve various public officials with a copy of the Order by November 22, 1993, and was also required to publish in newspapers of general circulation a specific notice of its Request for Waiver by November 22, 1993. Both the Order and the published notice detailed procedures providing an opportunity for the public to comment or request a hearing on VNG's application. On December 6, 1993, the Company filed its proof of notice and service. No comments or requests for hearing were filed in this matter.

On December 6, 1993, Commission Staff filed its Report on VNG's Application. In its Report, Staff found that the use of mobile LNG units to provide continuous gas service during emergency conditions caused by cold weather in VNG's Southern Division, when coupled with the alternate safety provisions contained in attachment number 2 of Staff's Report ("Alternate Safety Provisions"), is not inconsistent with gas pipeline safety. Accordingly, Commission Staff recommended that VNG be granted a waiver of 49 C.F.R. Part 193 for the use of mobile LNG units in its Southern Division during the 1993 - 94 and 1994 - 95 winter seasons, provided that the waiver expire on April 1, 1995, and that VNG be required to comply with the Alternate Safety Provisions outlined in Staff's report.

The Commission, upon consideration of this matter, is of the opinion and finds that granting VNG's Request for Waiver, while ordering the Company to comply with Staff's Alternate Safety Provisions, is not inconsistent with gas pipeline safety; that the requested waiver shall become effective within 70 days from the date of this Order unless modified by further order of the Commission; and that the U.S. Secretary of Transportation be informed forthwith of the Commission's action. Accordingly,

IT IS ORDERED:

(1) That VNG be, and it hereby is, granted a waiver of 49 C.F.R. Part 193 (Subpart B) for use of portable LNG injection units described herein for the 1993 - 94 and 1994 - 95 winter seasons;

(2) That this waiver expires on April 1, 1995;

(3) That while this waiver is in effect, VNG is required to comply with the Alternate Safety Provisions attached hereto as Attachment A, in addition to all other Safety Standards; and

(4) That this waiver shall become effective 70 days from the date of this order, unless modified by further order of the Commission.

NOTE: A copy of Attachment A entitled "Safety Provisions for Mobile LNG Units" 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.

DIVISION OF ECONOMICS AND FINANCE

CASE NO. PUF910015
MAY 6, 1993

APPLICATION OF
DELMARVA POWER & LIGHT COMPANY

For authority to issue long-term debt

ORDER GRANTING AUTHORITY TO AMEND

On April 11, 1991, the Commission issued an Order approving the application of Delmarva Power & Light Company ("Delmarva", "Applicant") to borrow up to $90 million from the proceeds of Tax Exempt Facilities Bonds to be issued by the Delaware Economic Development Authority ("the Authority"). In that Order, Applicant also was authorized to secure its obligation by issuing up to $94 million in First Mortgage Bonds and/or by providing other credit support such as a line of credit.

In its application, Delmarva stated that $60 million of the bonds expected to be issued in 1991 would have a term of up to thirty (30) years. For its bonds issued after 1991, Delmarva requested the authority to set the interest and terms based on market conditions at the time of issuance. The financing summary which accompanied the application, however, stated that the bonds would have a maturity of 30 years. The Commission's April 11, 1991 Order limited the maturity of all the bonds to 30 years.

By Motion to Amend Order Granting Authority, dated April 21, 1993, Applicant requested that the Commission amend its April 11, 1991 Order to allow for the issuance of long-term debt securities with maturities of up to forty (40) years. Applicant stated that this modification would allow Delmarva to take advantage of low tax exempt rates for up to $15 million of remaining bonds to be issued by the Authority. Applicant suggested that this modification could be accomplished by changing the specific reference to maturity limits from 30 to 40 years in ordering paragraph (3) of that Order.

NOW THE COMMISSION, having considered Applicant's Motion, is of the opinion and finds that Delmarva's request for extended maturity limits on its tax exempt bonds is reasonable and should be granted. We are, however, of the opinion that the requested authority should not apply to Delmarva's original request of $90 million of bonds since $60 million of bonds have already been issued. Accordingly,

IT IS ORDERED:

(1) That the authority granted in paragraph (3) of the Commission's April 11, 1991 Order be, and hereby is, amended to permit the issuance of the remaining $15 million of long-term debt securities with maturities of up to 40 years;

(2) That, if variable rate bonds are issued pursuant to this authority, they shall bear interest at rates not to exceed 15% per annum, and that the maturity of the $15 million to be issued in 1993 shall not exceed 40 years; and

(3) That our jurisdiction over this matter shall be continued.

CASE NO. PUF910015
MAY 11, 1993

APPLICATION OF
DELMARVA POWER & LIGHT COMPANY

For authority to issue long term debt

AMENDING ORDER NUNC PRO TUNC

On May 6, 1993, the State Corporation Commission entered an order granting Delmarva Power & Light Company ("Delmarva" or "Applicant") amended authority to issue certain long-term debt securities. In that Order, the Commission permitted Delmarva to issue its remaining long-term bonds with maturities to extend up to forty (40) years. That Order correctly referenced Applicant's remaining bonds to be $15 million of Delmarva's initial $90 million request.

That Order however incorrectly referenced the amount of long-term bonds previously issued. Page 2, paragraph 1 of that Order incorrectly stated that $60 million was the amount of the long-term bonds that have already been issued. That figure should have been $75 million.

NOW THE COMMISSION, upon consideration of the matter, is of the opinion that the May 6, 1993 Order should be amended nunc pro tunc to correct the reference to Delmarva's prior issuance of long-term bonds. Accordingly,

IT IS ORDERED:

(1) That our May 6, 1993 Order in this proceeding shall be amended nunc pro tunc to correct the reference to Applicant's long-term bonds that have already been issued;

(2) That the corrected reference to the bonds already issued on page 2, paragraph 1 of the above-referenced order shall be to $75 million; and

(3) That our jurisdiction over this matter shall be continued.

CASE NO. PUF920018
MARCH 11, 1993

APPLICATION OF
THE CHESAPEAKE AND POTOMAC TELEPHONE COMPANY OF VIRGINIA

For authority to issue up to $200 million in debt securities

FURTHER AMENDING ORDER

By Order dated May 6, 1992, as amended October 14, 1992, The Chesapeake and Potomac Telephone Company of Virginia ("C&P") was authorized to issue up to $200 million in debt securities ("Debt") for the purposes and under the terms and conditions described in the original application. On March 8, 1993, C&P filed a letter with the Commission requesting that the purposes for issuance of its Debt be amended.

THE COMMISSION, having been advised by its Staff, is of the opinion and finds that amending the purposes contained in the original application will not be detrimental to the public interest. Accordingly,

IT IS ORDERED:

1) That Applicant be and hereby is authorized to issue up to $200 million in Debt under the terms and conditions as described in the application and for the purposes as amended by C&P's letter dated March 8, 1993;

2) That all other provisions on the May 6, 1992 Order, as amended October 14, 1992, shall remain in full force and effect.

CASE NO. PUF920046
JANUARY 13, 1993

APPLICATION OF
UNITED CITIES GAS COMPANY

For authority to incur short-term indebtedness

AMENDING ORDER

By Order dated December 17, 1992, United Cities Gas Company ("Applicant" or "United Cities") was authorized to incur up to $45,000,000 of short-term debt during 1993 under the terms and conditions and for the purposes set forth in the application.

By letter dated December 21, 1992 ("the Letter"), United Cities filed for authority to enter into a money pool arrangement under Chapters 3 and 4 of Title 56 of the Code of Virginia. In the Letter, Applicant requested that the Commission amend its Order Granting Authority to allow United Cities and two of its affiliates, UCG Energy Corporation and United Cities Gas Storage Company, to loan and borrow short-term funds up to a maximum of $2,500,000 outstanding at any one time for maturity periods of less than twelve months. These loans and borrowings would be included within the original $45,000,000 maximum short-term debt limit. The interest would be payable monthly at a rate between the prime rate and the rate of interest available to the lending company as an alternative investment rate, which in no case would be less than the cost of those funds to the lending company.

NOW THE COMMISSION, having considered Applicant's request, is of the opinion and finds that the request is reasonable and should be granted. Accordingly,

IT IS ORDERED:

1) That the Commission's Order of December 17, 1992, shall be amended to allow affiliate loans and borrowings up to an aggregate amount of $2,500,000 from the date of this Order through December 31, 1993, under the terms and conditions and for the purposes as outlined in the November 16, 1992 application and the Applicant's letter dated December 21, 1992;

2) That Applicant shall borrow short-term funds under the Master Note arrangements or from affiliates in such a manner as to minimize net costs;

3) That the reporting requirements outlined in Ordering paragraph 2 of the Commission Order dated December 17, 1992, shall be amended to also include the source, amount, date, interest rate, and the schedule of repayment for each loan and/or borrowing entered into between United Cities and its affiliates during each calendar quarter;

4) That 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;

5) That 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; and

6) That this matter shall be continued, subject to the continuing review, audit, and appropriate directive of the Commission.

CASE NO. PUF920050
FEBRUARY 12, 1993

APPLICATION OF
GTE SOUTH INCORPORATED

For authority to enter into intercompany financing agreement with an affiliate

ORDER GRANTING AUTHORITY

On November 24, 1992, GTE South, Incorporated ("GTE South", "Applicant") filed an application under Chapter 4 of Title 56 of the Code of Virginia.

GTE South proposes to enter into an affiliate agreement under which it can avail itself, on a continuing basis, of short-term borrowing and investment of funds directly with its parent company, GTE Corporation ("GTE Corp."). All borrowings from and loans to GTE Corp. will be in the form of a promissory note, bearing a variable rate of interest based on GTE Corp.'s 30-day commercial paper rate.

Applicant represents that it does not intend to limit itself to borrowing solely from GTE Corp. Rather it will constantly monitor the capital markets to receive the most attractive rates it can find. Applicant further represents that it would seek separate authority, under Chapter 3 of Title 56 of the Code of Virginia, should it require short-term indebtedness to exceed 5% of total capital.

The Commission, upon consideration of the application and representations of Applicant and having been advised by its Staff, is of the opinion that approval of the proposed affiliate agreement will not be detrimental to the public interest. The Commission is of the further opinion and finds that the public interest would be better served by granting the proposed authority over a limited period of time. Accordingly,

IT IS ORDERED:

1) That Applicant is hereby authorized to enter into the affiliate agreement with GTE Corp. for the purposes and under the terms and conditions as described by Applicant and modified herein;

2) That the authority granted herein shall extend from the date of this Order through February 28, 1994;

3) That Applicant shall seek subsequent approval from the Commission if the terms and conditions of the affiliate agreement approved herein should change;

4) That approval of the application does not preclude the Commission from applying the provisions of Sections 56-78 and 56-80 of the Code of Virginia hereafter;

5) That 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) That on or before November 1, 1993, Applicant shall file an Interim Report of the action taken pursuant to the authority granted herein, to include a schedule of all borrowings, repayments, and investments from the date of this Order through August 31, 1993, with corresponding interest rates on all transactions, and a balance sheet and statement of cash flows for Applicant and GTE Corp. as of June 30, 1993;

7) That on or before April 1, 1994, Applicant shall file a Final Report of the action taken pursuant to the authority granted herein, to include a schedule of all borrowings, repayments, and investments from the date of this Order through February 28, 1994, with corresponding interest rates on all transactions, and a balance sheet and statements of cash flows for Applicant and GTE Corp. as of December 31, 1993;

8) That this matter shall remain under the continuing review, audit, and appropriate directive of this Commission.

CASE NO. PUF930001
FEBRUARY 3, 1993

APPLICATION OF
SOUTHWESTERN VIRGINIA GAS COMPANY

For authority to issue $1.28 million additional first mortgage note

ORDER GRANTING AUTHORITY

On January 6, 1993, Southwestern Virginia Gas Company ("Applicant") filed an application under Chapter 3 of Title 56 of the Code of Virginia for authority to issue an additional $1.28 million in debt in the form of a first mortgage note ("Note"). Applicant has paid the requisite fee of $250.

Applicant proposes to privately place a $1.28 million Note with NationsBank, N.A. ("Nations"). Applicant represents that the funds will be used to finance the construction of a 6" high pressure pipeline in the Chatmoss/Laurel Park area of Henry County and in the northeastern section of Henry County from Route 58 to State Route 108. Applicant represents that the Note will originate as a construction loan until the pipeline is completed. At the time of completion, the construction loan will be combined with the outstanding balance of the existing first mortgage note into a single first mortgage note.

Applicant proposes the Note will bear a floating interest rate of 1.00% above Nations' Prime Rate, subject to a cap of 3.75% over and a floor of 2.00% below the interest rate at the time of closing. The cap and the floor rates will be adjusted every fifth year on the anniversary date of the Note. The commitment fee for the loan agreement is 1.00% of the principal or $12,800, and Applicant estimates legal and other fees to be $12,250. The Note will have a 15 year maturity and monthly principal and interest payments.

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:

1) That Applicant is authorized to issue and sell an additional first mortgage note up to $1,280,000 for the purposes and under the terms and conditions as described in the application;

2) That Applicant is authorized to incur short-term debt up to $1,500,000, subsequent to the date of this Order and prior to the issuance of the combined first mortgage note, but not beyond September 30, 1994, without further regulatory approval;

3) That the authority for short-term debt to exceed 5% of total capital shall expire at the time of issuance of the combined first mortgage note;

4) That, within thirty (30) days after closing of the loan, Applicant shall file a preliminary report of action containing the date of the closing and the NationsBank Prime Rate effective on the closing date;

5) That on or before March 1, 1994, Applicant shall file a more detailed report with respect to any debt issued under this authority during calendar year 1993, which shall include a schedule of interest rates and outstanding balances during each month of 1993, and a balance sheet as of December 31, 1993;

6) That on or before September 30, 1994, Applicant shall file a final report of action containing a monthly schedule of interest rates and outstanding balances from January 1994 to the date of construction completion, the date that the construction loan is combined with the existing Note, the actual balances of the new Note and the existing Note at the time of combination, the NationsBank Prime Rate effective on the first day of the combined Note, a calculation of the annual principal curtailment requirement for the combined Note, and a balance sheet showing the impact of the combined mortgage Note;

7) That approval of this application shall have no implications for ratemaking purposes; and

8) That this matter shall be continued, subject to the continuing review, audit and appropriate directive of the Commission.

CASE NO. PUF930002
FEBRUARY 18, 1993

NEW CASTLE TELEPHONE COMPANY

For authority to incur long-term debt with the Rural Electrification Authority

ORDER GRANTING AUTHORITY

On January 20, 1993, New Castle Telephone Company ("Applicant") filed an application under Chapter 3 of Tile 56 of the Code of Virginia requesting authority to incur long-term indebtedness with the Rural Electrification Authority ("REA"). Applicant has paid the requisite fee of $25.

Applicant requests authority to incur debt obligations in the form of a note ("Note") in an aggregate principal amount up to $3,288,000. The proceeds will be used to finance the purchase and construction of telephone facilities in the Paint Bank and New Castle exchanges.

The loan application to the REA has been filed, and approval would be subject to Virginia State Corporation Commission approval. As a condition of approval by REA, Applicant must pay off short-term debt payable to Telephone & Data Systems, Inc. (TDS) by December 31, 1996. The Note will have a fixed interest rate of 5%, and the term of the Note will be thirty-five (35) years.

THE COMMISSION, upon consideration of the application and having been advised by its Staff, is of the opinion that approval of the application will not be detrimental to the public interest. Accordingly,

IT IS ORDERED:

1) That Applicant is authorized to enter into a loan agreement to borrow up to $3,228,000 from REA, under the terms and conditions and for the purposes set forth in the application;

2) That Applicant shall file with the Commission within thirty (30) days from the date of the first advance of funds, a preliminary report of action which shall include the amount of the advance, the uses of said funds, a copy of the loan approval letter from REA, a copy of the REA's characteristic letter, and a balance sheet reflecting the action taken;

3) That Applicant shall file by March 1 of 1994, 1995, 1996 and 1997, an annual report of action which shall include a summary of monies advanced during the preceding calendar year, the cumulative dollar amount drawn as of the year just ended, the remaining dollar amount authorized to be drawn, and the annual dollar reduction or conversion of the debt payable to TDS; and

4) That this matter shall be continued, subject to the continuing review, audit and appropriate directive of the Commission.

CASE NO. PUF930002
JUNE 4, 1993

APPLICATION OF
NEW CASTLE TELEPHONE COMPANY

For authority to incur long-term debt with Rural Electrification Administration

ORDER AMENDING AUTHORITY

On February 18, 1993, the Commission issued an Order approving the application of New Castle Telephone Company ("Applicant") to borrow up to $3,228,000 from the Rural Electrification Administration ("REA"). By letter dated April 30, 1993, Applicant, by its counsel, requested the Commission to amend the authority in its February 18, 1993 Order to provide assurance requested by REA that Commission approval more specifically backs the authorization required by the lender.

IT NOW APPEARING to the Commission that Applicant's request is reasonable and should be granted. Accordingly,

IT IS ORDERED that in accordance with the authority granted by the Commission in this docket on February 18, 1993, Applicant is authorized to execute and deliver the Telephone Loan Contract, Mortgage Notes, and Mortgage, Security Agreement and Financing Statement in the forms attached to Applicant's April 30, 1993 letter as required in connection with this loan.

CASE NO. PUF930002
JUNE 9, 1993

APPLICATION OF
NEW CASTLE TELEPHONE COMPANY

For authority to incur long-term debt with Rural Electrification Administration

ORDER ACCEPTING SUBSTITUTION

On June 4, 1993, the Commission issued an Order Amending Authority that authorized New Castle Telephone Company to execute and deliver various documents related to the loan that is the subject of this application, including the Mortgage, Security Agreement and Financing Statement. By letter dated June 8, 1993, counsel for New Castle Telephone Company advised the Commission of one insignificant change to that document, asked that the changed page be substituted for that page included with the earlier submission of April 30, 1993, and submitted a copy of the changed page along with the request for substitution.

IT NOW APPEARING to the Commission that the request for substitution is reasonable and should be granted. Accordingly,

IT IS ORDERED that the changed page attached to the letter of June 8, 1993 shall be substituted for the same page included in the April 30, 1993 submission and that the substituted page shall be considered as part of the documents addressed in our Order Amending Authority of June 4, 1993.

CASE NO. PUF930003
FEBRUARY 9, 1993

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For authority to lease rail equipment

ORDER GRANTING AUTHORITY

On January 29, 1993, Virginia Electric and Power Company ("Applicant" or "Virginia Power") filed an application under Chapter 3 of Title 56 of the Code of Virginia requesting authority to execute a lease agreement for an additional 375 new, 113-ton capacity, coal hopper rail cars ("Rail Cars"). Applicant has paid the requisite fee of $250.

The Rail Cars will be leased through a trust agreement arranged by a Lessor determined through a competitive bidding process, which will be managed by Virginia Power. At the end of the eighteen-year lease term, Applicant has the option to purchase some or all of the Rail Cars in "as is" condition for a purchase price equal to their fair market value.

The lease is a net lease, requiring Virginia Power to pay for all normal maintenance, insurance, licensing, registration, and taxes associated with the owneership, delivery, use and operation of the Rail Cars. The lease payments are expected to be approximately $293 per month per Rail Car under a level lease payment structure.

The proposed lease will further enable Virginia Power to take advantage of private equipment allowances that significantly reduce the rail rates charged by CSX Transportation for shipping coal. Applicant further represents that leasing the Rail Cars will result in a material savings over purchasing the Rail Cars.

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:

1) That Applicant is hereby authorized to execute the lease agreement for the Rail Cars, under the terms and conditions and for the purposes set forth in the application;

2) That Applicant shall file with the Commission an executed copy of the lease agreement on or before April 30, 1993; and

3) That this matter shall be continued, subject to the continuing review, audit, and appropriate directive of the Commission.

CASE NO. PUF930004
FEBRUARY 25, 1993

APPLICATION OF
NORTHERN NECK ELECTRIC COOPERATIVE

For authority to convert fixed rate loans to variable rate loans

ORDER GRANTING AUTHORITY

On February 4, 1993, Northern Neck Electric Cooperative ("Northern Neck", "Applicant") filed an application with the Commission under Chapter 3 of Title 56 of the Code of Virginia. Applicant paid the requisite fee of $250.

Applicant requests authority to convert the interest rate on seven of its outstanding long-term loans with the National Rural Utilities Cooperative Finance Corporation ("CFC") from a fixed rate to a variable rate. The fixed rate in effect on the loans ranges from 8.50% to 9.75%. Applicant represents that such conversion, which requires the payment of fees to CFC, is expected to result in savings to its members by reducing the cost of the loans.

The Commission, upon consideration of the application and having been advised by Staff, is of the opinion and finds that approval of the proposed transaction will not be detrimental to the public interest. Accordingly,

IT IS ORDERED:

1) That Applicant is hereby authorized to convert the seven CFC long-term loans from a fixed rate to a variable rate in the manner and under the terms and conditions set forth in the application;

2) That Applicant may convert each loan back to a fixed rate if market conditions make such conversion favorable;

3) That once any loan is converted from a variable rate back to a fixed rate in accordance with ordering paragraph 2, Applicant shall apply for authority to make further rate conversions on that loan;

4) That within 30 days following any action taken pursuant to ordering paragraph 2, Applicant shall file a Report of Action with the Commission's Division of Economics and Finance which indicates the effective date of the conversion of the loans, the interest rate in effect on each loan before and after the conversion, a brief explanation of the rationale for converting any loan from a variable rate back to a fixed rate, accompanied by a schedule that shows the overall cost savings relative to the prior fixed rate;

5) That approval of the application has no implications for ratemaking purposes; and

6) That there appearing nothing further to be done, this matter is hereby dismissed.

CASE NO. PUF930005
MARCH 3, 1993

APPLICATION OF
THE POTOMAC EDISON COMPANY

For authority to issue first mortgage bonds and pollution control notes

ORDER GRANTING AUTHORITY

On February 9, 1993, The Potomac Edison Company ("Applicant" or "Company") filed an application under Chapter 3 of Title 56 of the Code of Virginia requesting authority to issue first mortgage bonds ("Bonds") up to a maximum of $75 million and to issue pollution control notes ("Notes") up to a maximum of $8.6 million on or before December 31, 1994. Applicant paid the requisite fee of $250.

Applicant has filed with the Securities and Exchange Commission (SEC) for authority to issue the Bonds and will file with the SEC for authority to issue the Notes in one or more series from time to time before December 31, 1994. Applicant proposes to issue the Bonds to refund the following high coupon issues: the 8 3/8% Series due 2001, the 7 5/8% Series due 1999, the 7 1/2% Series due 2002, and 7% Series due 1998. Applicant also proposes to issue the Notes to refund the 9 1/2% Series (pollution control) due 2013. Applicant further proposes that the Bonds and Notes will only be issued when market conditions exist that will result in savings after considering the costs of the new issue. The Bonds and Notes will have market based rates and the maturities are not expected to exceed thirty (30) years.

THE COMMISSION, upon consideration of the application, and having been advised by its Staff, is of the opinion and finds that approval of the described financing will not be detrimental to the public interest. Accordingly,

IT IS ORDERED:

1) That Applicant be and hereby is authorized to issue up to $75 million in Bonds and up to $8.6 million in Notes for the purposes and under the terms and conditions as described in the application;

2) That as soon as available after filing with the SEC, Applicant shall file a copy of the Form S-3 Registration Statement, Form U-1, and any Exhibits filed with respect to these securities;

3) That within seven days after any Bond(s) or Notes are issued, Applicant shall file a preliminary report of action containing the following: type of security issued (Bond or Note), the date(s) of issue, amount issued, interest rate, comparable Treasury yield at or nearest to the time of issue, date of maturity, underwriters' names, and net proceeds to Applicant;

4) That within sixty (60) days after the end of any quarter that any Bond(s) or Note(s) are issued, Applicant will file a detailed Report of Action containing the following: a detailed analysis of the savings due to the new issue, showing the effective cost rate (yield to maturity method) of the redeemed issue compared to the effective cost of the new issue, the date(s) of issue, amount issued, coupon interest rate, comparable Treasury yield at time of issue, interest provisions, sinking fund schedule, date of maturity, any redemption or call provisions, underwriters' names, underwriters' fees, a detailed account of all related issuance expenses, net proceeds to Applicant, a balance sheet showing the impact of the action taken, and remaining unissued authority;

5) That on or before May 1, 1995, Applicant shall file a final Report of Action containing the information required in ordering paragraph 4;

6) That approval of the application shall have no implications for ratemaking purposes; and

7) That this matter shall be continued, subject to the continuing review, audit and appropriate directive of the Commission.

CASE NO. PUF930006
MARCH 4, 1993

APPLICATION OF
COMMUNITY ELECTRIC COOPERATIVE

For authority to select the variable loan rate option on an existing loan

ORDER GRANTING AUTHORITY

On February 11, 1993, Community Electric Cooperative ("Community", "Applicant") filed an application with the Commission under Chapter 3 of Title 56 of the Code of Virginia. Applicant paid the requisite fee of $250.

Applicant requests authority to select the variable interest rate option on its outstanding long-term loan number C-9007 with the National Rural Utilities Cooperative Finance Corporation ("CFC"). In addition, Applicant requests authority to convert the loan back to a fixed rate if market conditions warrant. Applicant represents that election of the variable rate option, which does not require the payment of fees to CFC, is expected to result in savings to its members by reducing the cost of the loan.

The Commission, upon consideration of the application and having been advised by Staff, is of the opinion and finds that approval of the proposed transaction will not be detrimental to the public interest. Accordingly,

IT IS ORDERED:

1) That Applicant is hereby authorized to elect the variable loan rate option on CFC loan number C-9007 in the manner and under the terms and conditions set forth in the application;

2) That Applicant may convert such loan back to a fixed rate if market conditions make such conversion favorable;

3) That if the loan is converted from a variable rate back to a fixed rate in accordance with ordering paragraph 2, Applicant shall apply for authority to make further rate conversions on that loan;

4) That within 30 days following any action taken pursuant to ordering paragraph 2, Applicant shall file a Report of Action with the Commission's Division of Economics and Finance which indicates the effective date of the conversion of the loan, the interest rate in effect on the loan before and after the conversion, a brief explanation of the rationale for converting the loan from a variable rate back to a fixed rate;

5) That approval of the application has no implications for ratemaking purposes; and

6) That there appearing nothing further to be done, this matter is hereby dismissed.

CASE NO. PUF930007
FEBRUARY 3, 1993

AMELIA TELEPHONE COMPANY

For authority to borrow long-term debt

ORDER GRANTING AUTHORITY

On February 11, 1993, Amelia Telephone Company ("Amelia", "Applicant") filed an application under Chapter 3 of Title 56 of the Code of Virginia requesting authority to incur long-term indebtedness with the Federal Financing Bank ("FFB"). Applicant paid the requisite fee of $25.

Amelia requests authority to borrow $3,337,000 from the FFB. Although the loan will be made by the FFB, the Rural Electrification Administration will guarantee the repayment. The proceeds will be used to extend service to anticipated new customers and to upgrade service to the new and existing customers. The FFB loan will have a thirty-five year maturity. Amelia has the option of selecting either a fixed or variable interest rate. In either instance the interest rate is based on Treasury securities plus a margin of 1/8 (.125%) of 1 percent.

THE COMMISSION, upon consideration of the application and having been advised by its Staff, is of the opinion and finds, that approval of the proposed financing will not be detrimental to the public interest. Accordingly,

IT IS ORDERED:

1) That Applicant is authorized to enter into a loan agreement to borrow up to $3,337,000 from the FFB, under the terms and conditions and for the purposes set forth in the application;

2) That Applicant shall file with the Commission within thirty days from the date each advance of funds, a preliminary report of action which shall include the amount of the advance, the interest rate associated with each advance, and the uses of the funds;

3) That Applicant shall file by March 1 of 1994, 1995, 1996 and 1997, an annual report of action which shall include a summary of monies advanced during the preceding calendar year, the cumulative dollar amount drawn as of the year just ended, the remaining dollar amount authorized to be drawn, and a balance sheet as of the end of the calendar year; and

4) That this matter shall be continued, subject to the continuing review, audit and appropriate directive of the Commission.

CASE NO. PUF930007
MARCH 9, 1993

AMELIA TELEPHONE COMPANY

For authority to borrow long-term debt

NUNC PRO TUNC ORDER

On March 3, 1993, the Commission issued its Order Granting Authority whereby it authorized Amelia Telephone Company to borrow up to $3,337,000 in long-term debt from the Federal Financing Bank. That Order was erroneously dated February 3, 1993, rather than March 3, 1993. Accordingly,

IT IS ORDERED that the Order Granting Authority in Case No. PUF930007 shall, and hereby is, corrected to reflect the date of issuance as March 3, 1993.

CASE NO. PUF930007
MARCH 9, 1993

APPLICATION OF
AMELIA TELEPHONE COMPANY

For authority to borrow long-term debt

AMENDING ORDER

On March 3, 1993, the Commission issued an Order approving the application of Amelia Telephone Company ("Applicant") to borrow up to $3,337,000 from the Federal Financing Bank ("FFB"). On March 9, 1993, the Commission issued a Nunc Pro Tunc Order reflecting the correct date in that Order.

By letter dated March 8, 1993, Applicant, by its counsel, requested an amendment to paragraph (1) of the Commission's March 3, 1993 Order. In that letter, Applicant requested that paragraph (1) be amended to grant Applicant the specific authority which tracks the assurances requested by FFB.

IT NOW APPEARING to the Commission that, Applicant's request for an amending order is reasonable and should be granted; Accordingly,

IT IS ORDERED:

1) That ordering paragraph one of the March 3, 1993 Order Granting Authority be, and hereby is, amended to read as follows:

> That Applicant is authorized to enter into a loan agreement to borrow up to $3,337,000 from the FFB, under the terms and conditions and for the purposes set forth in the application and, without limitation to this grant, Applicant is authorized to execute and deliver the loan Transmittal Letter, Notes, and Mortgage in the forms attached as may be required in connection with this loan; and

2) That all other provisions of the March 3, 1993 Order shall remain in full force and effect.

CASE NO. PUF930008
MARCH 16, 1993

APPLICATION OF
APPALACHIAN POWER COMPANY

For authority to issue up to $200,000,000 in debt securities

ORDER GRANTING AUTHORITY

On February 19, 1993, Appalachian Power Company ("APCO", "Applicant") filed an application under Chapter 3 of Title 56 of the Code of Virginia for authority to issue up to $200,000,000 in debt securities. Applicant has paid the requisite fee of $250.

Applicant proposes to issue and sell from time to time, through December 31, 1993, up to $200,000,000 in debt securities. Such securities will be in the form of First Mortgage Bonds ("Bonds"), unsecured promissory notes ("Notes") or a combination thereof. If Applicant issues Bonds they will be issued in one or more series with each such series maturing in not less than 9 months and not more than 32 years. The interest rate on the Bonds will be fixed either through competitive bidding or through negotiations with underwriters or agents.

If Applicant issues Notes, they will be issued to one or more commercial banks or other financial institutions. The proposed Notes will be issued under one or more term loan agreements, which provide that the Notes bear interest at a fixed, variable or combination of fixed and variable interest rates. The proposed Notes will be issued with maturities of not Less than 9 months and not more than 10 years from the date of the borrowing.

The proceeds will be used to refund higher cost debt, pay sinking fund requirements, reduce short-term indebtedness and for 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:

1) That Applicant is authorized to issue up to $200,000,000 in debt securities for the purposes and under the terms and conditions contained in the application, provided that the refunding of any bonds as proposed herein results in a cost savings to Applicant;

2) That Applicant shall submit a preliminary Report of Action within seven days after the issuance of any securities pursuant to this Order to include the date issued, the amount of issue, the type of security, the interest rate, the maturity date, the comparable U.S. Treasury rate, and an explanation for the maturity, type of security and issuance date chosen;

3) That within sixty days after the end of each calendar quarter in which any Bonds are issued, Applicant shall file a more detailed Report of Action with respect to the securities issued including the date and amount of each issuance, the interest rate, date of maturity, net proceeds to Applicant, an itemized list of all expenses associated with each issue, a list of uses of the proceeds, a comparison of the effective rates on the new securities and any refunded debt to demonstrate savings to Applicant, a list of all contracts and underwriting agreements regarding the sale of marketing of the Bonds, and a balance sheet reflecting the action taken;

4) That Applicant shall file a final Report of Action on or before February 28, 1994; and

5) That this matter shall be continued subject to the continuing review, audit and appropriate directive of the Commission.

CASE NO. PUF930009
MARCH 18, 1993

APPLICATION OF
BARC ELECTRIC COOPERATIVE

For authority to issue notes to the Rural Electrification Administration and the National Rural Utilities Cooperative Finance Corporation

ORDER GRANTING AUTHORITY

On February 25, 1993, BARC Electric Cooperative ("Applicant" or "Company") filed an application under Chapter 3 of Title 56 of the Code of Virginia requesting authority to issue long-term notes to the Rural Electrification Administration ("REA") and the National Rural Utilities Cooperative Finance Corporation ("CFC"). Applicant has paid the requisite fee of $250.

Applicant proposes to borrow from REA and CFC $2,001,000 and $892,708, respectively. Applicant will issue notes as evidence of the loan agreements, which are secured by a Supplemental Mortgage and Security Agreement, whereby all assets of the Company are pledged as security for this and earlier REA and CFC loans. The interest rate on the REA note will be fixed at five percent (5%) per annum for a period of thirty-five (35) years. Principal repayment will begin two (2) years after the date of the note.

The concurrent loan with CFC will also have a thirty-five (35) year maturity, and it will have a fixed interest rate for sequential seven-year periods. The loans will bear interest at the rate in effect for such loans on the date of each advance of funds on the loan. Each initial rate will be determined based upon CFC's cost of borrowings at the time of the advance. Thereafter, the rate may be adjusted every seven years to reflect current market conditions. Principal repayment will begin as of the first full billing quarter following the full advance of funds or two (2) years after the date of the approval of the loan, whichever occurs first.

The proceeds from the issuance of the notes will provide long-term financing for new construction and system improvements of the Company's distribution, transmission, and maintenance facilities.

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:

1) That Applicant is hereby authorized to issue notes to the REA and CFC in the amount of $2,001,00 and $892,708, respectively, under the terms and conditions and for the purposes set forth in the application;

2) That Applicant shall file with the Division of Economics and Finance within thirty (30) days of the first advance of funds, and thereafter annually by March 1, until either 1997 or the year in which the full amount of the loan is advanced, whichever occurs first, a Report of Action which shall include the amount of each advance, the corresponding interest rate, the uses of the funds, and a balance sheet reflecting the actions taken;

3) That Applicant shall seek Commission approval to exercise any type of fixed/variable interest rate conversion on the CFC note; and

4) That there appearing nothing further to be done in this matter, it is hereby dismissed.

CASE NO. PUF930010
APRIL 28, 1993

APPLICATION OF
CONTEL OF VIRGINIA, INC., d/b/a GTE VIRGINIA

For authority to incur short-term indebtedness and to borrow funds on a long-term basis from an affiliate

ORDER GRANTING AUTHORITY

On March 4, 1993, Contel of Virginia, Inc. d/b/a GTE Virginia ("GTE Virginia" or "Applicant") filed an application under Chapters 3 and 4 of Title 56 of the Code of Virginia. Applicant has paid the requisite fee of $250.

GTE Virginia proposes to incur, from time to time, up to $90,000,000 in an aggregate principal amount of short-term debt in the form of notes to an affiliate, GTE Finance Corporation ("GTE Finance"), and/or banks. Additionally, Applicant requests authority to issue an eighteen-month, long-term promissory note to GTE Finance in an amount not to exceed $50,000,000. The short-term funds borrowed from GTE Finance will bear interest at a rate based on the daily GTE Corporation commercial paper yield for thirty-day maturities, plus related financing costs.

The proceeds from the short-term debt borrowings will be used primarily to reimburse GTE Virginia's treasury for past expenditures related to its construction programs, and to meet its ongoing capital requirements such as refunding certain higher-cost mortgage bonds and retiring certain current maturities of long-term debt during 1993. The proceeds from the long-term promissory note will be used primarily to pay down short-term debt borrowings.

In its application, GTE Virginia admits that it failed to seek prior Commission approval to exceed short-term debt levels in excess of five (5) percent of capitalization, as required by § 56-65.1 of Chapter 3 of Title 56 of the Code of Virginia.

THE COMMISSION, upon consideration of the application, and subsequent representations of Applicant, and having been advised by its Staff, is of the opinion and finds that approval of the above proposed financing will not be detrimental to the public interest. However, the Commission is concerned that Applicant has demonstrated apparent disregard for the provisions of Chapters 3 and 4 of Title 56 of the Code of Virginia by again issuing short-term debt to an affiliated entity prior to receiving Commission approval. Therefore, the Commission places GTE Virginia on notice that its future securities issuances will be stringently monitored by our Staff for compliance with the law, and the terms of its authority. Furthermore, appropriate process will be issued relevant to the apparent violations described herein. Accordingly,

IT IS ORDERED:

1) That Applicant is hereby authorized to incur short-term indebtedness in an aggregate amount outstanding not to exceed $90,000,000 at any one time from the date of this Order through December 31, 1993, and to issue a long-term promissory note in an amount not to exceed $50,000,000 under the terms and conditions and for the purposes set forth in the application;

2) That the authority granted herein does not relate retroactively to any unauthorized short-term indebtedness;

3) That should Applicant wish to borrow short-term debt after December 31, 1993, in excess of five percent (5%) of total capital as outlined in § 56-65.1 of Chapter 3, Applicant shall seek subsequent approval from the Commission at an appropriate time;

4) That Applicant's future financing activities shall be closely monitored by Staff for compliance with Chapter 3 of Title 56 of the Code of Virginia; therefore, until further notice, Applicant shall file within sixty (60) days of the end of each calendar quarter, to begin with the first quarter of 1993, a Report of Action including the date, amount and interest rate of each draw-down, the use of the proceeds, the average monthly balances, the monthly maximum amount outstanding, and a balance sheet reflecting the actions taken;

5) That 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;

6) That 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; and

7) That this matter shall be continued, subject to the continuing review, audit, and appropriate directive of the Commission.

CASE NO. PUF930012
APRIL 7, 1993

APPLICATION OF
KENTUCKY UTILITIES COMPANY

For authority to issue and sell additional first mortgage bonds

ORDER GRANTING AUTHORITY

On March 11, 1993, Kentucky Utilities Company ("Applicant") filed an application for authority under Chapter 3 of Title 56 of the Code of Virginia to issue and sell up to $125,000,000 of additional first mortgage bonds ("the Bonds"). Applicant paid the requisite fee of $250.

Applicant seeks approval to issue and sell the Bonds during a period extending over the next twelve months. Applicant intends to issue the Bonds in one or more new series. The Bonds are expected to have maturities ranging from not less than five (5) and not more than forty (40) years, based on conditions in the financial markets and the needs of Applicant. Applicant proposes to issue the Bonds to refund the outstanding balance of First Mortgage Bond Series H, I, J, and N. Interest rates on the Bonds will be set at the time of issue by competitive bidding or negotiated underwriting. Applicant proposes only to issue the Bonds at a rate that provides savings over debt that is refunded.

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:

1) That Applicant is hereby authorized to issue and sell the Bonds up to the aggregate principal amount of $125,000,000 through April 15, 1994, all in a manner, under the terms and conditions, and for the purposes as set forth in the application, provided that the issuance of the Bonds results in cost savings;

2) That Applicant shall submit a preliminary report within seven (7) days after the issuance of any Bonds pursuant to this Order which includes the date issued, amount issued, interest rate, date of maturity, name of underwriter(s), and the net proceeds received by Applicant;

3) That Applicant shall file a more detailed report within sixty (60) days after the end of each calendar quarter during 1993 in which any Bonds are issued pursuant to this Order to include the following information for each issue: issuance date, maturity date, face amount issued, coupon rate and a summary of any provisions relating to a variable or convertible interest rate, effective yield to maturity rate, copy of the

Supplemental Indenture executed to issue the Bonds, copy of the related underwriting agreement or purchase contract, sinking fund schedule, redemption or call provisions, a detailed account of all related issuance expenses, net proceeds received, and a detailed account of any losses on reacquired debt, to include any call premiums or unamortized expenses of refunded issues;

4) That Applicant shall file a Final Report of Action on or before July 15, 1994, to include all information required in Ordering Paragraph (3) herein relative to any Bonds issued during 1994, and also include a schedule of actual expenses and fees paid for each of the Bonds issued under the authority granted herein with an explanation of any variance to the estimated expenses noted in the Financing Summary attached to the application;

5) That approval of the application shall have no implications for ratemaking purposes; and

6) That this matter shall be continued, subject to the continuing review, audit, and appropriate directive of the Commission.

CASE NO. PUF930013
APRIL 7, 1993

APPLICATION OF
KENTUCKY UTILITIES COMPANY

For authority to incur short-term indebtedness

ORDER GRANTING AUTHORITY

On March 18, 1993, Kentucky Utilities Company ("Applicant") filed an application, as amended on March 22, 1993, for authority under Chapter 3 of Title 56 of the Code of Virginia to incur short-term debt. Applicant paid the requisite fee of $250.

Applicant proposes to issue short-term debt in an amount not to exceed $100,000,000 outstanding at any time for the period extending through December 31, 1994. The proposed short-term debt will be in the form of unsecured bank promissory notes and/or commercial paper. Applicant represents that the funds will be used primarily for the temporary financing of construction expenditures and/or other capital requirements. Applicant also proposes to use short-term debt to provide temporary financing for the refunding, redemption, prepayment, or early redemption of certain of its long-term debt or preferred stock if market rates make it advantageous to do so. The bank notes and commercial paper will bear interest at the prevailing market rate at the time of issuance.

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:

1) That Applicant is hereby authorized to issue short-term debt, in an amount not to exceed $100,000,000 outstanding at any time through December 31, 1994, all in a manner, under the terms and conditions, and for the purposes as set forth in the application;

2) That, on or before March 31, 1994, Applicant shall file a report which details the amount and cost rate of Applicant's short-term borrowings in each month through December 31, 1993, which shall include the amount of any related fees on such borrowings along with an explanation of how each type of fee is determined;

3) That, on or before March 31, 1995, Applicant shall file a Final Report which provides the information required in Ordering Paragraph (2) herein relative to short-term borrowings during 1994; and

4) That this matter shall be continued, subject to the continuing review, audit, and appropriate directive of the Commission.

CASE NO. PUF930014
APRIL 7, 1993

APPLICATION OF
VIRGINIA-AMERICAN WATER COMPANY and AMERICAN WATER WORKS COMPANY, INC.

For authority to issue common stock to an affiliate and long-term debt to an institutional investor

ORDER GRANTING AUTHORITY

On March 19, 1993, Virginia-American Water Company ("Applicant" or "Company") and American Water Works Company, Inc. ("AWW") filed an application under Chapters 3 and 4 of Title 56 of the Code of Virginia. Applicant requests authority to issue $6,000,000 in long-term debt ("New Bonds") to an institutional investor and 10,440 shares of additional common stock ("New Stock") to its parent, AWW. Applicant has paid the requisite fee of $250.

Applicant proposes to place the New Bonds with Jefferson-Pilot Life Insurance Company at a rate of 6.860% per annum. The New Bonds will mature on May 1, 2003, with no sinking fund or call provisions for early redemption. The Company estimates issuance expenses of $78,000, but no underwriting fees due to private placement of the New Bonds. Simultaneously, Applicant proposes to sell 10,440 shares of New Stock at a par value of $50.00 per share to AWW for $1,000,000.

The proceeds from the sale of the New Bonds and New Stock will be used primarily to repay short-term debt incurred to refund both the Company's 9-1/4% Series and the 9-1/4% B Series General Mortgage Bonds and to finance the Company's ongoing construction program.

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:

1) That Applicant is hereby authorized to issue $6,000,000 in long-term debt and $1,000,000 in common stock under the terms and conditions and for the purposes set forth in the application;

2) That within seven (7) days following the issuance of the securities, Applicant shall file a preliminary Report of Action containing the date of issuance and net proceeds to the Company;

3) That on or before July 30, 1993, Applicant shall file a Final Report of Action containing the following: the date of issue, amount issued, interest rate, a detailed account of all issuance expenses with an explanation of any variance from the Financing Summary attached to the application, net proceeds to the Applicant, and a balance sheet showing the impact of the issuance; and

4) That this matter shall be continued, subject to the continuing review, audit, and appropriate directive of the Commission.

CASE NO. PUF930015
APRIL 13, 1993

APPLICATION OF
THE POTOMAC EDISON COMPANY
and
ALLEGHENY POWER SYSTEM, INC.

For authority to issue common or preferred stock

ORDER GRANTING AUTHORITY

On March 24, 1993, The Potomac Edison Company ("Applicant" or "Company") and Allegheny Power System, Incorporated ("APS) filed a joint application under Chapters 3 and 4 of Title 56 of the Code of Virginia requesting authority for Applicant to issue and sell up to $60,000,000 in either common stock or preferred stock from the date of this Order through February 28, 1995. Applicant has paid the requisite fee of $250.

Applicant proposes to issue up to 3,000,000 shares of no par value common stock to APS for an aggregate amount of $60,000,000. The alternative proposal is to issue up to 600,000 shares of $100 par value preferred stock to the public through a competitive bidding process. The preferred stock issuance will have expenses associated with it of approximately $168,125 plus up to $600,000 in underwriting fees. Applicant represents that the dividend rate for the preferred stock may be either fixed or variable, and it will be established at the time of issuance. In either case, the dividend rate will not exceed 8.5% without further regulatory approval.

The proceeds from the sale of either the common stock or preferred stock will be used primarily for the reimbursement of funds expended by Company during the five year period immediately preceeding this application for the acquisition of property and the construction, completion, extension, and improvement of its facilities.

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:

1) That Applicant is hereby authorized to issue up to $60,000,000 in either preferred or common stock under the terms and conditions and for the purposes set forth in the application;

2) That within sixty (60) days following registration of the preferred stock with the Securities and Exchange Commission, Applicant shall file a copy of the Form S-3 Registration Statement and Exhibits filed;

3) That within seven (7) days following any common or preferred stock issuance pursuant to this Order, Applicant shall file a preliminary Report of Action containing the date(s) of issue, amount issued, dividend rate, underwriters' names, and net proceeds to Applicant;

4) That within sixty (60) days following the end of any quarter that any preferred or common stock is issued, Applicant shall file a detailed Report of Action containing the following: the date(s) of issue, amount issued, dividend rate, sinking fund and call provisions, underwriters' names, underwriters' fees, a detailed account of all related issuance expenses, net proceeds to Applicant, and remaining unissued authority;

5) That Applicant shall file a final Report of Action on or before April 28, 1995, to include all information required in Ordering Paragraph 4, a report of actual expenses and fees paid for the proposed financings, and an explanation of any variances from the estimated expenses contained in the Financing Summary attached to the application;

6) That approval of this application shall have no implications for ratemaking purposes; and

7) That this matter shall be continued, subject to the continuing review, audit, and appropriate directive of the Commission.

CASE NO. PUF930016
APRIL 9, 1993

APPLICATION OF
NORTHERN VIRGINIA ELECTRIC COOPERATIVE

For authority to establish a short-term line of credit

ORDER GRANTING AUTHORITY

On March 25, 1993, Northern Virginia Electric Cooperative ("Applicant" or "Company") filed an application under Chapter 3 of Title 56 of the Code of Virginia requesting authority to enter into a $25,000,000 line of credit with the National Bank for Cooperatives ("CoBank") in an effort to establish alternate sources of short-term funds. Applicant has paid the requisite fee of $250.

The CoBank line of credit will have no effect on the Company's current short-term debt limit of $43,500,000 as authorized by Commission Order dated May 17, 1991, in Case No. PUF910019. The borrowings under the proposed line of credit will be used to finance, on an interim basis, improvements and additions to the Company's electric system.

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:

1) That Applicant is hereby authorized to establish a short-term debt line of credit with CoBank in the amount of $25,000,000 under the terms and conditions and for the purposes set forth in the application;

2) That on, or before, September 30, 1993, Applicant shall file a Report of Action taken pursuant to both the authority granted herein and the authority granted in Case No. PUF910019 including the following: a schedule of all advances and repayments from January 1, 1993 through August 31, 1993, corresponding interest rates on all advances, a brief explanation as to why each draw down was made with CoBank versus the National Rural Utilities Cooperative Finance Corporation, and a statement as to whether CoBank has granted an annual twelve-month extension of Applicant's line of credit; and

3) That this matter shall be continued, subject to the continuing review, audit, and appropriate directive of the Commission.

CASE NO. PUF930016
APRIL 15, 1993

APPLICATION OF
NORTHERN VIRGINIA ELECTRIC COOPERATIVE

For authority to establish a short-term line of credit

AMENDING ORDER

On April 9, 1993, the Commission issued an Order authorizing Northern Virginia Electric Cooperative ("Applicant" or "Company") to enter into a $25,000,000 line of credit with the National Bank for Cooperatives ("CoBank"). Ordering Paragraph (1) of that Order authorized Company to enter into that line of credit "under the terms and conditions and for the purposes set forth in the application."

In its application, Company stated that the terms of the CoBank line of credit included an expiration date of August 31, 1993, with annual twelve-month extensions at CoBank's discretion. Subsequently, Staff determined that it was appropriate to extend the authority from the date of the Commission's Order to May 17, 1996. The May 17, 1996 expiration date would enable Applicant to coincide its line of credit with CoBank with its line of credit with the National Rural Utilities Cooperative Finance Corporation. Reference to the May 17, 1996 expiration date was inadvertently omitted in the April 9, 1993 Order.

THE COMMISSION, upon consideration of this information and having been advised by its Staff, is of the opinion and finds that an Amending Order should be issued. Accordingly,

IT IS ORDERED:

1) That Ordering Paragraph (1) of the Commission's April 9, 1993 Order shall be amended as follows:

> Applicant is hereby authorized to establish a short-term debt line of credit with CoBank in the amount of $25,000,000 under the terms and conditions and for the purposes set forth in the application, except that such authority shall extend through May 17, 1996; and

2) That all other provisions of the April 9, 1993 Order shall remain in full force and effect.

CASE NO. PUF930017
MAY 7, 1993

APPLICATION OF
DELMARVA POWER AND LIGHT COMPANY

For authority to enter into transactions related to the issuance of tax-exempt debt

ORDER GRANTING AUTHORITY

On April 12, 1993, Delmarva Power & Light Company ("Delmarva" or "Company") filed an application under Chapter 3 of Title 56 of the Code of Virginia requesting authority to borrow the proceeds from the issuance and sale of up to $35,000,000 of Tax-Exempt Refunding Revenue Bonds ("Refunding Bonds") by the Delaware Economic Development Authority ("the Authority"), such issuance and sale to occur in one or more series on or before April 30, 1994. Delmarva has paid the requisite fee of $250.

Delmarva states that the proceeds from the Authority's issuance and sale of its Refunding Bonds will be borrowed pursuant to one or more financing agreements. Such financing agreements will obligate Company to pay, when due, the principal of, premium (if any), and interest on, the Refunding Bonds. Delmarva also states that the proceeds from the Refunding Bonds will be used to refund the Authority's outstanding 6.6% Pollution Control Revenue Bonds due July 1, 2004 and Floating Rate Weekly Demand Gas Facilities Revenue Bonds due November 1, 2014 (collectively, "Outstanding Bonds").

THE COMMISSION, upon consideration of Delmarva's 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:

1) That Delmarva is hereby authorized, under the terms and conditions and for the purposes set forth in its application, to:

(a) Borrow the proceeds from the Authority's issuance and sale of up to $35 million of Refunding bonds, such issuance and sale to occur in one or more series on or before April 30, 1994,

(b) Issue, as security, up to $40 million of Company's First Mortgage Bonds in one or more series,

(c) Provide such other security and/or credit support as the Company may elect, to provide credit enhancement and reduce Delmarva's effective interest cost;

(2) That Delmarva shall submit a Preliminary Report of Action within 7 days after the issuance of the Refunding Bonds authorized under Paragraph 1 to include the issuance date of the Authority's Refunding Bonds, the interest rate, the maturity date, a brief explanation for the maturity, the amount borrowed, a copy of the associated financing agreement between Delmarva and the Authority, a description of any First Mortgage Bonds issued as security or any other security and/or credit enhancement used, and a cost/benefit analysis supporting the decision to refund the Outstanding Bonds;

(3) That on or before June 30, 1994, Delmarva shall file a detailed Report of Action with the Commission with respect to any and all action taken pursuant to the authority granted in Paragraph 1, to include:

(a) The amount, interest rate and date of each borrowing, the maturity date of the Authority's Refunding Revenue Bonds, underwriters' fees, call premiums incurred on the debt refunded, all other issuance expenses, a description of any First Mortgage Bonds issued as security or any other security and/or credit enhancement the Company elects to use, and the net proceeds to Delmarva,

(b) A general statement of the purposes to which the proceeds borrowed by the Company were put, including a schedule showing all redemption costs and overall cost/benefit analysis of the refunding of the Authority's Outstanding Bonds,

(c) A balance sheet reflecting the action taken; and

4) That this matter shall be continued, subject to the continuing review, audit, and appropriate directive of the Commission.

CASE NO. PUF930018
MAY 5, 1993

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For authority to issue First and Refunding Mortgage Bonds

ORDER GRANTING AUTHORITY

On April 19, 1993, Virginia Electric and Power Company ("Applicant" or "Company") filed an application under Chapter 3 of Title 56 of the Code of Virginia requesting authority to issue and sell one or more series of up to $400,000,000 in aggregate principal amount of First and Refunding Mortgage Bonds ("New Bonds"). Applicant has paid the requisite fee of $250.

The proceeds from the sale of the New Bonds will be used primarily to refund higher cost debt, and any remaining proceeds will be used to finance the Company's capital requirements, to include funding ongoing construction and upgrading of facilities, operating and maintenance costs, and refunding of mandatory security retirements and sinking funds.

The coupon rates and maturities of the New Bonds will be determined in accordance with conditions in the financial markets at the time of each issue. However, the yield to maturity on any New Bond will not exceed 140% of the yield on U. S. Treasury securities of comparable maturity, the maturities will be between one (1) and forty (40) years, and underwriting fees for the New Bonds will not exceed one (1) percent of the principal value of each issue. The New Bonds will be registered with the Securities and Exchange Commission and may be issued over a two-year period from the date of registration.

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:

1) That Applicant is hereby authorized to issue up to $400,000,000 of First and Refunding Mortgage Bonds under the terms and conditions and for the purposes set forth in the application, provided that the issuance of refunding bonds results in cost savings to Applicant;

2) That the call premiums and other expenses associated with refunding, including negative carry expenses for refunding issues only, shall be amortized over the life of the specified refunding New Bonds;

3) That Applicant shall track separately invested amounts of proceeds from New Bonds and the associated investment income during any period of negative carry;

4) That Applicant shall file promptly after becoming effective a copy of the Securities and Exchange Commission registration statement in conjunction with the sale of the New Bonds in its final form;

5) That Applicant shall submit a preliminary Report of Action within seven (7) days after the issuance of any New Bonds pursuant to this Order including the date issued, the amount of the issue, the coupon rate, the maturity date, the comparable U. S. Treasury rate, and an explanation for the maturity and issuance date chosen;

6) That within sixty (60) days after the end of each calendar quarter in which any New Bonds are issued, Applicant shall file a more detailed Report of Action with respect to the New Bonds issued including the date and amount of each series, the coupon rate, date of maturity, net proceeds to Applicant, an itemized list of all expenses associated with each issue, the cost of negative carry with supporting calculations and sources of such amounts, a list of uses of the proceeds, a comparison of the effective rates on the New Bonds and any refunded debt issues to demonstrate savings to Applicant, a list of all contracts and underwriting agreements regarding the sale or marketing of the New Bonds, a statement regarding the remaining value of New Bonds which may be issued with respect to the shelf registration described herein, and a balance sheet reflecting the actions taken; and

7) That this matter shall be continued, subject to the continuing review, audit, and appropriate directive of the Commission.

CASE NO. PUF930019
MAY 13, 1993

APPLICATION OF
THE CHESAPEAKE AND POTOMAC TELEPHONE COMPANY OF VIRGINIA

For authority to issue debt securities

ORDER GRANTING AUTHORITY

On April 20, 1993, The Chesapeake and Potomac Telephone Company of Virginia ("C&P", "Applicant") filed an application under Chapter 3 of Title 56 of the Code of Virginia requesting authority to issue up to $325 million of debt securities for a two year period. Applicant has paid the requisite fee of $250.

Applicant represents that the debt will be issued pursuant to a shelf registration statement filed with the Securities and Exchange Commission ("SEC"). The debt is expected to be in the form of either long-term debentures with maturities not to exceed 40 years or notes with maturities of one to ten years, or a combination thereof. Interest is expected to be paid semi-annually at a fixed rate of interest to be determined at the time the debt is issued. In no case will the interest rate exceed, by more than 250 basis points, the yield of recently issued U.S. Treasury securities of comparable maturity.

Applicant proposes to use the debt to refund higher cost debt, retire short-term debt and for the construction, completion or improvement of facilities and the improvement or maintenance of service. Applicant also proposes to recognize immediately for accounting purposes, the costs associated with any debt refunded pursuant to the authority granted herein. However, C&P also stated, in its application, that its understanding was "that the ratemaking treatment of these costs will be addressed within the context of the Annual Informational Filing process."

THE COMMISSION, upon consideration of the application, and having been advised by its Staff, is of the opinion and finds that approval of the described financing will not be detrimental to the public interest. However, the Commission is of the further opinion and finds that Applicant's proposed immediate recognition of refinancing costs should not be authorized in this case since the proper treatment of refinancing costs is more appropriately considered in the broader context of a rate-related proceeding. Therefore, these costs should be addressed within the context of Applicant's Annual Informational Filing in the year the expenses are incurred. Accordingly,

IT IS ORDERED:

1) That Applicant is authorized to issue up to $325 million in debt securities from the date of this Order through June 30, 1995, for the purposes and under the terms and conditions described in the application as modified herein, provided that the refunding of any bonds results in a cost savings to C&P;

2) That within seven days after any securities are issued, Applicant shall file a Preliminary Report of Action containing the date(s) of issue, amount issued, interest rate, comparable Treasury yield at or nearest to the time of issue, date of maturity, underwriters' names, and net proceeds to Applicant;

3) That within 60 days after the end of any quarter in which any securities are issued pursuant to this Order, Applicant shall file a detailed Report of Action containing the following: a detailed analysis of the savings due to any refunding of higher cost debt showing the effective cost rate (yield to maturity method) of the redeemed issue compared to the new issue and the expected net present value of the savings, the date(s) of issue, amount issued, coupon interest rate, effective yield to maturity, comparable Treasury yield at time of issue, interest provisions, sinking fund schedule, date of maturity, any redemption or call provisions, underwriters' names, underwriters' fees, a detailed account of issuance expenses, a detailed account of any losses on reacquired debt including any call premiums or unamortized expenses of the refunded issue, net proceeds to Applicant and remaining unissued authority;

4) That Applicant shall file a Final Report of Action on or before August 31, 1995, to include a summary of all the information required in Ordering paragraph 3;

5) That approval of the application shall have no implications for ratemaking purposes; and

6) That this matter shall be continued, subject to the continuing review, audit and appropriate directive of the Commission.

CASE NO. PUF930021
JUNE 10, 1993

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
CONTEL OF VIRGINIA, INC., d/b/a GTE Virginia

ORDER OF SETTLEMENT

On April 28, 1993, the State Corporation Commission issued a Rule to Show Cause against Contel of Virginia, Inc., d/b/a GTE Virginia ("GTE Virginia" or "Company") for alleged violations of § 56-65.1 of the Code of Virginia ("the Code"). Section 56-65.1 requires Company to seek Commission approval to exceed short-term debt levels in excess of 5 percent (5%) of its capitalization. Section 56-71 of the Code provides for fines and penalties for failure to seek the required approval.

The Commission issued this Rule to Show Cause upon Staff's allegation that "GTE Virginia is again, and has been since last December, in violation of Chapters 3 and 4 of the Virginia Code by exceeding the statutory limit on short-term debt without prior authorization." The Commission's Division of Economics and Finance became aware of the alleged violations when GTE filed an application on March 4, 1993, in Case No. PUF930010. Staff specifically alleged:

(1) That its analysis of GTE Virginia's capital structure as of December 31, 1992, shows Company's 5% allowable short-term debt limit to be approximately $22.172 million;

(2) That, using the above-referenced short-term debt limit, GTE Virginia exceeded this limitation on December 3, 7, 16, 1992, and every day thereafter through April 26, 1993;

(3) That GTE Virginia waited approximately three months to file an application to remedy the situation;

(4) That GTE Virginia was warned by the Commission in its September 5, 1991 Order in Case No. PUF910030 when the Company was in violation of the Code for the same offense; and

(5) That GTE Virginia's failure to seek Chapter 3 approval to borrow short-term debt in excess of the 5% limit after December 31, 1991, shows a continuing disregard for these provisions of the Code.

In an answer filed with the Commission on May 12, 1993, Company admitted that it was in violation of its short-term debt limit for the above-referenced period of time. GTE Virginia, however, did not admit that its failure to seek Chapters 3 and 4 approval showed a continuing disregard for these provisions of the Code.

As an offer to settle all matters arising from the allegations against it, GTE Virginia represents and undertakes that:

(1) The Company will pay a fine to the Commonwealth of Virginia in the amount of twenty thousand dollars ($20,000) to be paid contemporaneously with the entry of this order. This payment will be made by check, payable to the Treasurer of the Commonwealth of Virginia, and directed to the attention of the Director of Economics and Finance;

(2) The Company will also pay contemporaneously with the entry of this Order the sum of five hundred dollars ($500) to defray the cost of undertaking this action. 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 Economics and Finance;

(3) Any fines and costs paid in accordance with this order shall not be recovered as a part of the cost of service. Any such fines and costs shall be booked in Uniform System of Account No. 7370.3 (Special Charges - Penalties and Fines). The Company shall verify its books by filing a copy of the trial balance showing this entry with the Division of Public Utility Accounting; and

(4) The Company will file by November 1, 1993, either a report detailing its procedures for forecasting short-term debt requirements for the calendar year ending December 31, 1994 or an application for Chapter 3 approval. The report will be filed in the event that Company's short-term debt forecasting indicates that GTE Virginia's short-term debt requirements will not exceed its 5% capitalization limitation for the calendar year 1994.

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 GTE Virginia has made a good faith effort to cooperate with the Staff during its investigation that Company has agreed to comply with the actions outlined herein in a timely manner; therefore, 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 GTE Virginia be, and it hereby is, accepted;

(2) That, pursuant to Virginia Code § 56-71, GTE Virginia be, and it hereby is, fined the amount of $20,000;

(3) That the sum of $20,000 tendered contemporaneously with the entry of this order is accepted;

(4) That, pursuant to § 12.1-15, GTE Virginia shall pay the sum of $500 to defray the cost of this investigation;

(5) That the sum of $500 tendered contemporaneously with entry of this order is hereby accepted;

(6) That GTE Virginia shall file by November 1, 1993, a report detailing its procedures for forecasting short-term debt requirements for the calendar year ending December 31, 1994, unless, prior to that date, it files an application for Chapter 3 approval to exceed its 5% capitalization limitation for the calendar year 1994 and this report shall be filed in the Commission's Document Control Center; and

(7) That this case is hereby continued until further order of the Commission.

CASE NO. PUF930022
MAY 24, 1993

APPLICATION OF
DELMARVA POWER & LIGHT COMPANY

For authority to issue and sell long-term debt and preferred stock

ORDER GRANTING AUTHORITY

On April 30, 1993, Delmarva Power & Light Company ("Applicant" or "Company") filed an application under Chapter 3 of Title 56 of the Code of Virginia for authority to issue and sell up to $250,000,000 of secured or unsecured debt securities ("Debt Securities") and up to $20,000,000 aggregate par value of a new series of preferred stock ("New Preferred Stock"). Applicant seeks approval to issue and sell the Debt Securities and New Preferred Stock (collectively, the "Proposed Securities") in one or more series through April 30, 1995. Applicant has paid the requisite fee of $250.

Applicant requests authority to issue the Debt Securities as First Mortgage Bonds ("Bonds"), unsecured Medium Term Notes ("Notes"), or any combination thereof. Applicant intends to issue the Debt Securities with maturities ranging from nine months to forty years. Applicant plans to issue the New Preferred Stock as perpetual. Applicant expects that the interest rate on Debt Securities and the dividend rate on New Preferred Stock will be fixed. By letter dated May 21, 1993, Applicant stated that the interest rate on Debt Securities issued for purposes other than refunding would not exceed 150 basis points above comparable term United States Treasury issues. However, Applicant requests broad flexibility regarding the actual terms and conditions of the Proposed Securities to accommodate prevailing market conditions at the time of issuance.

Proceeds from the sale of the Proposed Securities will be used to finance the Company's capital requirements to include refinancing of higher-cost debt and preferred stock, funding of its ongoing construction program, maintenance of service, 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:

1) That Applicant is hereby authorized to:

(a) issue and sell up to $250,000,000 aggregate principal amount of additional Debt Securities; and

(b) issue and sell up to $20,000,000 aggregate par value of New Preferred Stock;

through April 30, 1995, all in a manner, under the terms and conditions, and for the purposes as set forth in the application, provided that any of the Proposed Securities issued for refunding purposes result in cost savings;

2) That promptly after it becomes effective, Applicant shall file a copy of each Securities and Exchange Commission ("SEC") registration statement and a copy of the prospectus filed with the SEC;

3) That Applicant shall submit a Preliminary Report within seven (7) days after the issuance of any Proposed Securities pursuant to this Order including the date, type, amount, interest rate or dividend yield thereon;

4) That within sixty (60) days after the end of each calendar quarter through 1994 in which any securities are issued pursuant to this Order, Applicant shall file a more detailed Report with respect to all securities sold during the calendar quarter to include:

(a) A list of each agreement executed for the purpose of issuing the Proposed Securities;

(b) The issuance date, type of security, amount issued, interest rate, comparable term Treasury yield (or interpolated yield) at the time of issue, date of maturity, underwriters' names, underwriters' fees, and net proceeds to the Applicant;

(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 to refund an outstanding issue, a cost/benefit analysis supporting the cost savings;

(e) A balance sheet reflecting the change in capital structure due to issue(s);

5) That Applicant shall file a final Report of Action on or before July 31, 1995, to include all information required in Ordering Paragraph 4 for securities issued during 1995, and a detailed account of the expenses and fees paid to date for issuing the Proposed Securities with an explanation of any variance to the estimated expenses contained in the Financing Summary attached to the application; and

6) That this matter shall be continued, subject to the continuing review, audit, and appropriate directive of the Commission.

CASE NO. PUF930024
JUNE 11, 1993

APPLICATION OF
UNITED TELEPHONE - SOUTHEAST, INC.

For authority to incur long-term debt

ORDER GRANTING AUTHORITY

On May 10, 1993, United Telephone - Southeast, Inc. ("United" or "Applicant") filed an application under Chapter 3 of Title 56 of the Code of Virginia for authority to issue and sell up to $68,000,000 of first mortgage bonds ("New Bonds"). Applicant has paid the requisite fee of $250.

Applicant proposes to issue and sell the New Bonds through private placement in three Series consisting of $13,000,000 Series V at 5.74%, due July 1, 1998; $35,000,000 Series W at 6.21%, due July 1, 2000; and $20,000,000 Series X at 6.75%, due July 1, 2005.

The proceeds will be used primarily for the early redemption of the outstanding balance of United's Series L, M, N, P, and S first mortgage bonds, which cumulatively amounted to $51,795,000 on March 31, 1993. Remaining funds from the sale of the New Bonds will be used to pay down short-term debt, pay for issuance costs of the New Bonds, and provide additional 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:

1) That Applicant is hereby authorized to issue and sell up to $68,000,000 aggregate principal amount of first mortgage bonds all in a manner, under the terms and conditions, and for the purposes as set forth in the application, provided that any of the New Bonds issued for refunding purposes result in cost savings;

2) That Applicant shall file a Report of Action on or before November 1, 1993 with respect each Series of the New Bonds issued, to include the date of issuance, the interest rate, the date of maturity, net proceeds to Applicant, a list of how the proceeds were used, a comparison of the effective interest rates on the New Bonds and any refunded long-term debt to demonstrate cost savings to Applicant, a detailed account of all gains and losses associated with each series of long-term debt refunded by the New Bonds, a detailed account of the expenses and fees paid to date for issuing the New Bonds with an explanation of any variance to the estimated expenses contained in Exhibit H attached to the application; and

3) That this matter shall be continued, subject to the continuing review, audit, and appropriate directive of the Commission.

CASE NO. PUF930025
JUNE 7, 1993

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For authority to issue and sell preferred stock

ORDER GRANTING AUTHORITY

On May 13, 1993, Virginia Electric and Power Company ("Applicant" or "Company") filed an application under Chapter 3 of Title 56 of the Code of Virginia requesting authority to issue and sell one or more series of up to $100,000,000 in aggregate principal amount of Preferred Stock ("New Preferred"). Applicant has paid the requisite fee of $250.

The proceeds from the sale of the New Preferred will be used primarily to refund higher cost preferred stock issues and to finance other capital requirements of the Company, to include funding ongoing construction and upgrading of facilities, operating and maintenance costs, refunding of mandatory security retirements and sinking funds, and repaying short-term debt.

The dividend rates on each series of the New Preferred will be established on a competitive or negotiated basis at the time of sale in accordance with conditions in the financial markets at the time of each issue, and dividends will be paid quarterly. Additionally, at or prior to the sale of each series of the New Preferred, a determination will be made as to whether it will be a perpetual security or one which requires mandatory or optional redemption payments. The New Preferred has been registered with the Securities and Exchange Commission. Applicant expects to issue the New Preferred over a period from the date of this Order through June 30, 1995.

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:

1) That Applicant is hereby authorized to issue up to $100,000,000 of New Preferred through June 30, 1995, under the terms and conditions and for the purposes set forth in the application, provided that the issuance of refunding preferred stock results in cost savings to the Company;

2) That Applicant shall file, promptly after becoming effective, a copy of the Securities and Exchange Commission registration statement in conjunction with the sale of the New Preferred in its final form;

3) That Applicant shall submit a preliminary Report of Action within seven (7) days after the issuance of any New Preferred pursuant to this Order including the date issued, the amount of the issue, the dividend rate, the maturity date, and an explanation for the maturity and issuance date chosen;

4) That within sixty (60) days after the end of each calendar quarter in which any New Preferred is issued, Applicant shall file a more detailed Report of Action with respect to the New Preferred issued including the date and amount of each series, the dividend rate, date of maturity, net proceeds to Applicant, an itemized list of expenses associated with each issue, a list of uses of the proceeds, a comparison of the effective rates on the New Preferred and any refunded preferred stock issues to demonstrate savings to the Company, a list of all contracts and underwriting agreements regarding the sale or marketing of the New Preferred, a statement regarding the remaining amount of New Preferred which may be issued with respect to the shelf registration described herein, and a balance sheet reflecting the actions taken;

5) That Applicant shall file a Final Report of Action on, or before, August 31, 1995, to include all information required in Ordering Paragraph 4 which incorporates then-current actual expenses and fees paid for the proposed financings with an explanation of any variances from the estimated expenses contained in the Financing Summary attached to the Company's application; and

6) That this matter shall be continued, subject to the continuing review, audit, and appropriate directive of the Commission.

CASE NO. PUF930026
JULY 6, 1993

APPLICATION OF
GTE SOUTH INCORPORATED

For authority to incur short-term indebtedness

ORDER GRANTING AUTHORITY

On May 14, 1993, GTE South Incorporated ("Applicant" or "Company") 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 to exceed $150,000,000 in the aggregate through December 31, 1993. Applicant has paid the requisite fee of $250.

The short-term indebtedness will be in the form of the Company's commercial paper issuances and/or intercompany money pool borrowings. The money pool arrangements were approved in Case No. PUF920050 by Commission Order dated February 12, 1993.

The proceeds from the issuances of short-term debt will be used primarily to finance the Company's capital requirements, to include funding its ongoing construction program, maintaining service, and retiring current maturities of long-term debt.

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:

1) That Applicant is hereby authorized to incur up to $150,000,000 in aggregate of short-term indebtedness under the terms and conditions and for the purposes set forth in the application;

2) That the authority granted herein shall extend from the date of this Order through December 31, 1993;

3) That approval of the application does not preclude the Commission from applying the provisions of §§ 56-78 and 56-80 of the Code of Virginia;

4) That 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) That Applicant shall file, within 60 days of the end of each calendar quarter, commencing on the date of this Order, a report including the date, amount, and interest rate of each short-term debt borrowing; the use of the proceeds; the average monthly balances; the monthly maximum amount outstanding; and a balance sheet reflecting the actions taken;

6) That on, or before, February 28, 1994, Applicant shall file a final report of action including all information required by Ordering Paragraph 5;

7) That, in future cases, Applicant shall fully and adequately substantiate its requested short-term debt limit; and

8) That this matter shall be continued, subject to the continuing review, audit, and appropriate directive of the Commission.

CASE NO. PUF930027
JUNE 10, 1993

NORTHERN NECK ELECTRIC COOPERATIVE

For authority to incur long-term debt

ORDER GRANTING AUTHORITY

On May 17, 1993, Northern Neck Electric Cooperative ("Applicant") filed an application under Chapter 3 of Tile 56 of the Code of Virginia requesting authority to incur long-term indebtedness with the Rural Electrification Authority ("REA") and the National Rural Utilities Cooperative Finance Corporation ("CFC"). Applicant has paid the requisite fee of $250.

Applicant requests authority to obtain financing from the REA in the amount of $2,170,000 and from the CFC in the amount of $958,763. The proceeds will be used to reimburse Applicant's general funds for distribution facilities constructed since January, 1992 and to finance future distribution facilities.

Applicant received REA loan approval on April 14, 1993, and also received CFC loan approval on January 6, 1993. The loan from REA will carry a fixed rate of interest of 5% for a term of thirty-five (35) years. The loan from CFC may have variable or fixed interest rates with maturities from one to thirty years. Applicant requests authority to determine both interest rate and maturity at the time of the first advance of CFC funds.

THE COMMISSION, upon consideration of the application and having been advised by its Staff, is of the opinion that approval of the application will not be detrimental to the public interest. Accordingly,

IT IS ORDERED:

1) That Applicant is authorized to borrow up to $2,170,000 from REA and to borrow up to $958,763 from CFC, under the terms and conditions and for the purposes set forth in the application;

2) That Applicant is authorized to convert the CFC loan to a fixed interest rate if a variable interest rate is initially chosen and if market conditions make such conversion favorable;

3) That if Applicant initially chooses the fixed rate option for CFC loans and wishes to convert the loans to variable rate CFC loans, Applicant shall apply for authority to do so;

4) That within thirty (30) days of the date of the first advance of funds from REA and CFC, Applicant shall file with the Commission's Division of Economics & Finance a report of action which shall include the amount of the advance, the interest rate, loan maturity, and the uses of the funds;

5) That within 30 days following any action taken pursuant to ordering paragraph 2, Applicant shall file a report of action with the Commission's Division of Economics & Finance which indicates the effective date of the conversion of the loan, the interest rate in effect before and after the conversion, and a brief explanation of the rationale for converting the loan to a fixed interest rate from a variable interest rate;

6) That approval of the application has no implications for ratemaking purposes; and

7) That there being nothing further to be done, this matter is hereby dismissed.

CASE NO. PUF930028
JUNE 23, 1993

APPLICATION OF
CENTRAL TELEPHONE COMPANY OF VIRGINIA

For authority to incur long-term debt

ORDER GRANTING AUTHORITY

On June 1, 1993, Central Telephone Company of Virginia ("Central" or "Applicant") filed an application under Chapter 3 of Title 56 of the Code of Virginia for authority to issue and sell up to $53,106,000 of first mortgage bonds ("New Bonds"). Applicant has paid the requisite fee of $250.

Applicant proposes to issue and sell the New Bonds through private placement in two Series consisting of $15,000,000 Series DD at 6.21%, due July 1, 2000; and $38,106,000 Series EE at 6.68%, due July 1, 2003.

The proceeds will be used primarily for the early redemption of the outstanding balance of Central's Series U first mortgage bonds, which amounted to $38,106,000 on March 31, 1993. Remaining funds from the sale of the New Bonds will be used to pay down short-term debt, pay for issuance costs of the New Bonds, and provide additional 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:

1) That Applicant is hereby authorized to issue and sell up to $53,106,000 aggregate principal amount of first mortgage bonds all in a manner, under the terms and conditions, and for the purposes as set forth in the application, provided that any of the New Bonds issued for refunding purposes result in cost savings;

2) That Applicant shall file a Report of Action on or before November 1, 1993, with respect to each Series of the New Bonds issued, to include the date of issuance, the interest rate, the date of maturity, net proceeds to Applicant, a list of how the proceeds were used, a comparison of the effective interest rates on the New Bonds and any refunded long-term debt to demonstrate cost savings to Applicant, a detailed account of all gains and losses associated with each series of long-term debt refunded by the New Bonds, a detailed account of the expenses and fees paid to date for issuing the New Bonds with an explanation of any variance to the estimated expenses contained in Item 2 of the financing summary attached to the application; and

3) That this matter shall be continued, subject to the continuing review, audit, and appropriate directive of the Commission.

CASE NO. PUF930028
JULY 8, 1993

APPLICATION OF
CENTRAL TELEPHONE COMPANY OF VIRGINIA

For authority to incur long-term debt

AMENDING ORDER

On June 23, 1993, the Commission issued an Order Granting Authority to Central Telephone Company of Virginia ("Central" or "Applicant") for authority to issue and sell up to $53,106,000 of first mortgage bonds ("New Bonds") under Chapter 3 of Title 56 of the Code of Virginia.

By letter dated July 1, 1993, Applicant requested that the Commission amend its Order dated June 23, 1993, to restate Applicant's clear authority to issue the New Bonds in a manner that would satisfy the due diligence concerns of those purchasing the New Bonds.

NOW THE COMMISSION, upon consideration of the matter, is of the opinion and finds that the June 23, 1993, Order should be amended. Accordingly,

IT IS ORDERED:

1) That Applicant is hereby authorized to issue and sell up to $53,106,000 aggregate principal amount of first mortgage bonds all in a manner, under the terms and conditions, and for the purposes as set forth in the application;

2) That any of the New Bonds issued for refunding purposes shall result in cost savings;

3) That Applicant shall file a Report of Action on or before November 1, 1993, with respect to each Series of the New Bonds issued, to include the date of issuance, the interest rate, the date of maturity, net proceeds to Applicant, a list of how the proceeds were used, a comparison of

the effective interest rates on the New Bonds and any refunded long-term debt to demonstrate cost savings to Applicant, a detailed account of all gains and losses associated with each series of long-term debt refunded by the New Bonds, a detailed account of the expenses and fees paid to date for issuing the New Bonds with an explanation of any variance to the estimated expenses contained in Item 2 of the financing summary attached to the application;

4) That approval of the application shall have no implications for ratemaking purposes; and

5) That this matter shall be continued, subject to the continuing review, audit, and appropriate directive of the Commission.

CASE NO. PUF930029
JUNE 29, 1993

APPLICATION OF
ROANOKE GAS COMPANY

For authority to issue short term debt

ORDER GRANTING AUTHORITY

On June 4, 1993, Roanoke Gas Company ("Roanoke" or "Applicant") filed an application under Chapter 3 of Title 56 of the Code of Virginia. Applicant has paid the requisite fee of $250.

Applicant proposes to incur short-term indebtedness, from time to time, up to a maximum of $8,000,000, over a three year period. The borrowings will take place under line of credit agreements that Roanoke currently has in place with several local banks. Applicant may issue notes with maturities of 30, 60 or 90-days. The interest rate will be determined in a bidding process at the time of issuance. The proceeds of the borrowings will be used to finance seasonal gas purchases, ongoing construction, dividend payments, and other corporate purposes.

THE COMMISSION, upon consideration of the application, and subsequent representations of Applicant, and having been advised by its Staff, is of the opinion and finds that approval of the above proposed financing will not be detrimental to the public interest. The Commission is further of the opinion that Roanoke failed to seek Commission approval to exceed short-term debt levels in excess of five (5) percent of capitalization during May of 1993, as required by § 56-65.1 of Chapter 3 of Title 36 of the Code of Virginia. Therefore, the Commission places Roanoke on notice that its future short-term debt issuances will be stringently monitored by our Staff for compliance with the law, and the terms of its authority. The Commission is also of the opinion that granting the authority for a period of three years is not justified in light of Applicant's violation of Chapter 3 and that a shorter period of one year is appropriate. Furthermore, appropriate process will be issued relevant to the apparent violations described herein. Accordingly,

IT IS ORDERED:

1) That Applicant is hereby authorized to issue short-term indebtedness in an aggregate amount outstanding not to exceed $8,000,000 at any one time from the date of this Order through June 30, 1994, under the terms and conditions and for the purposes set forth in the application;

2) That the authority granted herein does not relate retroactively to any unauthorized short-term indebtedness;

3) That should Applicant wish to borrow short-term debt after June 30, 1994, in excess of five percent of total capital as outlined in § 56-65.1 of Chapter 3, Applicant shall seek subsequent approval from the Commission at an appropriate time;

4) That Applicant's future short-term debt activities shall be closely monitored by Staff for compliance with Chapter 3 of Title 56 of the Code of Virginia; therefore, until further notice, Applicant shall file within ten (10) days of the end of each calendar quarter, to begin with the second quarter of 1993, a Report of Action including a daily balance of short-term debt during the previous quarter, and a schedule of issuances including the amount, date issued, interest rate, and maturity;

5) That Applicant shall put in place appropriate procedures to assure compliance with § 56-65.1 and file a report describing those procedures on or before September 15, 1993;

6) That on or before July 31, 1994, Applicant shall file a final Report of Action comparing actual month-end short-term balances with those which had been anticipated; and

7) That this matter shall be continued, subject to the continuing review, audit and appropriate directive of the Commission.

CASE NO. PUF930032
AUGUST 18, 1993

APPLICATION OF
THE POTOMAC EDISON COMPANY

For authority to issue short-term debt

ORDER GRANTING AUTHORITY

On July 26, 1993, The Potomac Edison Company ("Applicant" or "Company") filed an application under Chapter 3 of Title 56 of the Code of Virginia requesting authority to borrow short-term debt up to an aggregate amount of $115,000,000 for a period extending from the date of this Order through December 31, 1995. Applicant has paid the requisite fee of $250.

The short-term financing program will include one or more of the following: short-term borrowings from banks, which will bear interest at the prime or comparable interest rate of the bank at the time of the borrowing; commercial paper issuances to dealers, which will be discounted at the then-current rates; and/or money pool borrowings through the Allegheny Power System Money Pool Agreement ("Money Pool"), which will bear interest payable monthly at the daily federal funds effective rate as quoted by the Federal Reserve Bank of New York. Participation in the Money Pool will also provide a financial instrument for the temporary investment of excess funds at this same rate. The Company has the authority to borrow up to an aggregate amount of $94,000,000 in a similar short-term debt program which was authorized in Case No. PUF910006 by Commission Order dated February 8, 1991.

The proceeds from the short-term borrowings will be used primarily to finance the Company's capital requirements, to include funding its ongoing construction program, maintaining service, and acquiring additional property.

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. The Commission is of the further opinion that the authority granted in Case No. PUF910006 should be terminated and superseded by the authority granted herein. Accordingly,

IT IS ORDERED:

1) That Applicant is hereby authorized to borrow up to an aggregate amount of $115,000,000 in short-term debt through December 31, 1995, under the terms and conditions and for the purposes set forth in the application;

2) That Applicant shall incur short-term indebtedness in the form that bears the lowest cost to the Company at the time of each borrowing;

3) That approval of the application does not preclude the Commission from applying the provisions of §§ 56-78 and 56-80 of the Code of Virginia;

4) That 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) That approval of the application shall have no implications for ratemaking purposes;

6) That Applicant shall file a Report of Action with the Commission, within sixty (60) days of the end of each calendar quarter, commencing on the date of this Order, to include the following: the source, amount, date and interest rate of each borrowing; the amount, date and interest rate of each investment in and withdrawal from the Money Pool; the use of the proceeds; the average monthly balances; the monthly maximum amount outstanding each month; and a market commercial paper rate applicable to the date and term of each Money Pool borrowing;

7) That this matter shall be continued, subject to the continuing review, audit, and appropriate directive of the Commission; and

8) That there appearing nothing further to be done pursuant to Case No. PUF910006, the matter shall be and is hereby dismissed.

CASE NO. PUF930033
SEPTEMBER 9, 1993

APPLICATION OF
WASHINGTON GAS LIGHT COMPANY

For authority to issue short term debt and sell commercial paper to affiliates

ORDER GRANTING AUTHORITY

On July 26, 1993, Washington Gas Light Company ("WGL" or "Applicant") filed an application under Chapters 3 and 4 of Title 56 of the Code of Virginia for authority to incur up to $150,000,000 of short-term debt and for authority to issue commercial paper to affiliates. Applicant has paid the requisite fee of $250.

Applicant proposes to incur short-term indebtedness, from time to time, up to a maximum of $150,000,000, for the period October 1, 1993 through September 30, 1994. The proposed short-term borrowing will be in the form of commercial paper and/or bank notes. Applicant also requests to sell up to $20,000,000 of its short-term debt in the form of commercial paper to the following affiliated companies: Crab Run Gas Company, Hampshire Gas Company, Brandywood Estates, Inc., Washington Resources Group, Inc., Washington Gas Energy Systems, Inc., and American Environmental Products, Inc. ("Affiliates"). The bank notes and commercial paper will bear interest at the prevailing market rate at the time of issue. The proceeds of the borrowings will be used to finance seasonal working capital requirements.

THE COMMISSION, upon consideration of the application, and having been advised by its Staff, is of the opinion and finds that approval of the above proposed financing will not be detrimental to the public interest. Accordingly,

IT IS ORDERED:

1) That Applicant is authorized to issue short-term indebtedness in an aggregate amount outstanding not to exceed $150,000,000 at any one time from October 1, 1993, through September 30, 1994, under the terms and conditions and for the purposes set forth in the application;

2) That Applicant is authorized to sell up to $20,000,000 of its authorized short-term debt in the form of commercial paper to its Affiliates, under the terms and conditions and for the purposes set forth in the application;

3) That 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) That 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 § 56-78 of the Code of Virginia;

5) That approval of the application shall have no implications for ratemaking purposes;

6) That on or before April 30, 1994, Applicant shall file a preliminary Report of Action showing the daily outstanding short-term debt balances for WGL for the period October 1, 1993 through March 31, 1994, and a schedule of daily outstanding commercial paper balances issued to the Affiliates for the same period;

7) That on or before November 30, 1994, Applicant shall file a final Report of Action including the following: the source, amount, date, and interest rate of each borrowing; the use of the proceeds; average monthly balances; the monthly maximum amount outstanding each month; any expenses, commissions, or fees paid in connection with the short-term debt; and a balance sheet as of September 30, 1994; and

8) That this matter shall be continued, subject to the continuing review, audit and appropriate directive of the Commission.

CASE NO. PUF930034
SEPTEMBER 9, 1993

APPLICATION OF
WASHINGTON GAS LIGHT COMPANY
and
SHENANDOAH GAS COMPANY

For authority to make and receive interest bearing cash advances on open account

ORDER GRANTING AUTHORITY

On July 26, 1993, 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 for authority for WGL to make, and Shenandoah and Frederick Gas Company, Inc. ("Frederick") to receive, interest bearing cash advances ("Advances") on open account. Applicants have paid the requisite fee of $250.

WGL proposes to make Advances up to an aggregate amount outstanding of up to $22,000,000 to Frederick and up to $20,000,000 outstanding to Shenandoah from October 1, 1993 through September 30, 1994. The Advances will be used to finance seasonal gas purchases for Frederick and Shenandoah, and for other proper corporate purposes. The interest rate on Advances will be determined based on WGL's consolidated embedded cost of capital, including long and short-term debt and preferred stock, excluding non-utility subsidiaries. Each month a portion of the Advances from WGL will be reclassified to a short-term liability. The reclassification is based on the consolidated capital structure of WGL. The interest rate will be calculated on a monthly basis.

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:

1) That WGL is authorized to make interest-bearing open account advances to its affiliates, Frederick and Shenandoah, from October 1, 1993, through September 30, 1994;

2) That Shenandoah is authorized to receive interest-bearing open account advances from WGL;

3) That the total aggregate amount outstanding at any one time of Advances made to Frederick and Shenandoah shall be $22 million and $20 million, respectively;

4) That the Advances shall be made under the terms and conditions and for the purposes set forth in the application;

5) That 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;

6) That 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 § 56-78 of the Code of Virginia;

7) That on or before April 30, 1994, Applicants shall file a preliminary Report of Action to include a schedule of Advance activity of Shenandoah and Frederick from October 1, 1993, through March 31, 1994, including the balance as of September 30, 1993, the date, amount of each Advance or repayment, the effective rate for each transaction, and the maximum outstanding balance for each month;

8) That on or before November 30, 1994, Applicant shall file a final Report of Action including a monthly schedule from October of 1993 through September of 1994, of the monthly Advance and repayment amounts, the portion of Advances and repayments that are short-term and long-term, the effective interest rate, and the maximum outstanding balance during the month; and

9) That this matter shall be continued, subject to the continuing review, audit and appropriate directive of the Commission.

CASE NO. PUF930034
SEPTEMBER 17, 1993

APPLICATION OF
WASHINGTON GAS LIGHT COMPANY
and
SHENANDOAH GAS COMPANY

For authority to make and receive interest-bearing cash advances on open account

AMENDING ORDER NUNC PRO TUNC

On September 9, 1993, the State Corporation Commission entered an order granting Washington Gas Light Company ("WGL") authority to make interest-bearing open account advances ("Advances") to its affiliates, Shenandoah Gas Company ("Shenandoah") and Frederick Gas Company, Inc. ("Frederick") from October 1, 1993, through September 30, 1994. In that Order the Commission directed WGL and Shenandoah (collectively ("Applicants") to file a preliminary Report of Action to include a schedule of Advance activity of Shenandoah and Frederick from October 1, 1993, through March 31, 1994. That order incorrectly referenced the date for filing Applicants' preliminary Report of Action as April 30, 1993. That date should have been April 30, 1994.

NOW THE COMMISSION, upon consideration of the matter, is of the opinion that the September 9, 1993 order should be amended nunc pro tunc to correct the reference to the date for filing Applicants' preliminary Report of Action. Accordingly,

IT IS ORDERED:

(1) That our September 9, 1993 order in this proceeding shall be amended nunc pro tunc to correct the date for filing Applicants' preliminary Report of Action;

(2) That the corrected reference to the filing of the preliminary Report of Action on page 2, ordering paragraph (7) shall be April 30, 1994; and

(3) That our jurisdiction over this matter shall be continued.

CASE NO. PUF930035
AUGUST 30, 1993

APPLICATION OF
APPALACHIAN POWER COMPANY

For authority to enter into transactions related to the issuance of tax-exempt debt, and to issue debt and preferred stock

ORDER GRANTING AUTHORITY

On August 3, 1993, Appalachian Power Company ("Appalachian" or "Applicant") filed an application for authority under Chapter 3 of Title 56 of the Code of Virginia to enter into transactions related to the issuance of tax-exempt, pollution control revenue bonds. In addition,

Appalachian requested authority to issue and sell first mortgage bonds ("New Bonds") and cumulative preferred stock ("Preferred"). Applicant paid the requisite fee of $250.

Applicant requests authority to enter into transactions related to the issuance of up to $40 million of Series D, Tax-Exempt Bonds ("Series D Bonds"), by June 30, 1994, through the County Commission of Putnam County, West Virginia ("Putnam Commission"). The proceeds of the Series D Bonds will be used for the early redemption of the outstanding $40 million Series B, Tax-Exempt Bonds ("Series B Bonds"). The Series B Bonds were issued through the Putnam Commission on October 20, 1977, at an interest rate of 6 3/4% to support financing for the pollution control facilities at the John E. Amos Generating Station in Putnam County, West Virginia.

Applicant states that the interest rate on the Series D Bonds will not exceed 6.5672%. Applicant also represents that the stated maturity on the Series D Bonds will not exceed 30 years, and that any discount from the initial public offering price shall not exceed 5%.

Applicant further requests authority to issue and sell up to $175 million of New Bonds and up to $110 million of Preferred, from time to time, through June 30, 1994. Applicant proposes to issue the New Bonds in one or more series with maturities of not less than nine (9) months and not more than forty-two (42) years, depending on market conditions and Applicant's needs at the time of issuance. The respective interest or dividend rate on the New Bonds and Preferred will be fixed at the time of issuance by competitive bidding or negotiated underwriting. However, Applicant states that the respective interest or dividend rate on New Bonds an Preferred will not exceed the yield to maturity on comparable maturity United States Treasury Bonds by more than 3%. Any proceeds realized from the sale of New Bonds and/or Preferred will be used primarily to refund long-term debt and preferred stock. Other uses, however, may include repayment of short-term debt, and other proper corporate purposes.

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:

1) That Applicant is hereby authorized:

a. to enter into agreements related to the issuance of up to $40 million of Series D Bonds,

b. to issue and sell New Bonds up to an aggregate principal amount of $175 million, and

c. to issue and sell Cumulative Preferred up to an aggregate principal amount of $110 million,

through June 30, 1994, all in a manner, under the terms and conditions, and for the purposes as set forth in the application;

2) That Applicant shall submit a preliminary report within seven (7) days after issuing any Series D Bonds, New Bonds, or Preferred pursuant to this Order, which shall include the issuance and maturity date, security type, amount issued, price to public, net proceeds to Applicant, interest rate or dividend yield thereon, and the comparable term Treasury yield (or interpolated yield if there are no comparable Treasuries) at the time of sale of any New Bonds or Preferred;

3) That within sixty (60) days after the end of each calendar quarter through March 31, 1994, Applicant shall file a more detailed report with respect to all securities herein authorized and sold during the calendar quarter, to include:

a. a copy of the basic prospectus for the security issued, and a list describing any other contracts or agreements executed for the purpose of issuing the security,

b. the security type, date of issue, date of maturity, principal amount, interest rate, comparable Treasury yield (or interpolated yield) at the time of issue, underwriters' names, underwriters' fees, and net proceeds to the Applicant,

c. the cumulative principal amount issued to date 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 to refund an outstanding issue, a detailed analysis of the savings due to the new issue which shows the effective cost rate of the redeemed issue compared to the new issue,

e. a detailed account of any gain or loss on debt or preferred stock that is reacquired by proceeds from securities herein authorized and issued;

4) That Applicant shall file a Final Report of Action on or before September 30, 1994, to provide the information outlined in ordering paragraph 3 for the quarter ended June 30, 1994, along with a detailed schedule of all issuance expenses incurred to date, including an explanation of any variance to the estimated expenses contained in Exhibits 1-3 attached to the application, and a balance sheet reflecting the action taken;

5) That approval of the application shall have no implications for ratemaking purposes; and

6) That this case shall be continued, subject to the continuing review, audit, and appropriate directive of the Commission.

CASE NO. PUF930036
OCTOBER 5, 1993

APPLICATION OF
SOUTHSIDE ELECTRIC COOPERATIVE

For authority to continue to participate in a loan program

ORDER GRANTING AUTHORITY

Southside Electric Cooperative ("Southside", "Applicant") filed an application under Chapter 3 of Title 56 of the Code of Virginia for authority to continue to participate in an energy conservation loan program with the Rural Electrification Administration ("REA"). Applicant has paid the requisite fee of $25.

In Case Nos. PUA820104, PUA850012, PUA870012, PUA890015, and PUF910017, Southside was authorized to participate in the Energy Resources Conservation Loan Program ("Loan Program") under the provisions of REA Bulletin 20-23, Section 12. Under the Loan Program, REA advanced funds to Southside at an interest rate of 2% per annum, with the stipulation that Applicant loan the funds to its members at a rate not to exceed 5% per annum. The funds are used by Applicant's members for energy conservation measures.

Applicant now proposes to continue to participate in the loan program through July 1, 1995, by deferring the principal repayments. Applicant will continue to pay interest to REA at a rate not to exceed 2% per annum.

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 Southside's continued participation in the Loan Program will not be detrimental to the public interest. Accordingly,

IT IS ORDERED:

1) That Applicant is authorized to continue to participate in the Loan Program through July 1, 1995, by deferring principal repayment, for the purposes and under the terms and conditions as described in the application;

2) That on or before September 30, 1994, Applicant shall file directly with the Division of Economics and Finance, a Report of Action to include for the year ended July 31, 1994, the interest expense, administative expenses, total amount of loan defaults, and interest income associated with the Loan Program; and

3) That there appearing nothing further to be done in this matter, it hereby is dismissed.

CASE NO. PUF930037
SEPTEMBER 23, 1993

APPLICATION OF
COMMUNITY ELECTRIC COOPERATIVE

For authority to borrow short-term debt

ORDER GRANTING AUTHORITY

On August 23, 1993, Community Electric Cooperative ("Applicant", "Community") filed an application with the Commission under Chapter 3 of Title 56 of the Code of Virginia requesting authority to incur up to $2,400,000 in short-term indebtedness. The application was deemed complete on August 30, 1993, with the filing of a financing summary. Applicant has paid the requisite fee of $250.

Applicant proposes to increase its current $680,000 line of credit with the National Rural Utilities Cooperative Finance Corporation ("CFC") to $1,600,000. In order to establish an alternate source of short-term funds, Community also proposes to establish a line of credit with the National Bank for Cooperatives ("CoBank") in the amount of $800,000. Community represents that it intends to use the proposed short-term debt to fund operations during the lengthy application process in obtaining long-term financing from the Rural Electrification Administration and during times of emergency.

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 approval of the proposed lines of credit will not be detrimental to the public interest. Accordingly,

IT IS ORDERED:

1) That Applicant is authorized to incur short-term indebtedness in an aggregate amount up to $2,400,000 from the date of this Order through September 30, 1998, under the terms and conditions and for the purposes stated in the application;

2) That on, or before, November 30, 1994, Applicant shall file a Report of Action taken pursuant to the authority granted herein including a schedule of all advances and repayments from the date of this Order through September 30, 1994, the corresponding interest rates on all advances, the corresponding interest rate on the line of credit not utilized, a brief explanation as to why each draw down was made from the particular line of credit, and a balance sheet for the period ending September 30, 1994; and

3) That this matter shall be continued, subject to the continuing review, audit and appropriate directive of this Commission.

CASE NO. PUF930038
SEPTEMBER 27, 1993

APPLICATION OF
ROANOKE GAS COMPANY

For authority to issue intermediate term debt

ORDER GRANTING AUTHORITY

On September 2, 1993, Roanoke Gas Company ("Roanoke" or "Applicant") filed an application under Chapter 3 of Title 56 of the Code of Virginia. Applicant has paid the requisite fee of $250.

Applicant proposes to issue intermediate term notes ("Notes"), from time to time, not to exceed $4,000,000 over a period of seven years. The borrowings are expected to take place under a loan agreement that Roanoke has solicited from several regional banks. Applicant expects to issue Notes with maturities between three and seven years. The interest rate(s) will be market based at the time of issuance, and is expected to be fixed for the term of each Note. The proceeds of the borrowings will be used to fund annual principal payments on long-term debt, to refinance short-term debt used as bridge financing, to fund ongoing construction and improvements, and to fund other corporate purposes. Applicant also represents that Notes will help to protect the integrity of its current short-term debt limits.

THE COMMISSION, upon consideration of the application, and having been advised by its Staff, is of the opinion and finds that approval of the above proposed financing will not be detrimental to the public interest. The Commission is also of the opinion that granting the authority for a period of two years is appropriate. Accordingly,

IT IS ORDERED:

1) That Applicant is hereby authorized to issue intermediate term notes in an aggregate amount not to exceed $4,000,000 at any one time from the date of this Order through September 30, 1995, under the terms and conditions and for the purposes set forth in the application;

2) That within twenty days of signing, Applicant shall file a copy of the executed loan agreement controlling these Notes;

3) That within ten days after any Notes are issued, Applicant shall file a report of action containing the date of issuance, the amount issued, the interest rate, the maturity date, the prime rate at the time of issuance, and the remaining unissued authority;

4) That, on or before December 1, 1995, Applicant shall file a final Report of Action containing a schedule of the Notes showing each date of issuance, the amount, interest rate, and date of maturity; and

5) That this matter shall be continued, subject to the continuing review, audit and appropriate directive of the Commission.

CASE NO. PUF930039
OCTOBER 21, 1993

APPLICATION OF
VIRGINIA GAS DISTRIBUTION COMPANY

For approval of intercompany financing

ORDER GRANTING AUTHORITY

On September 3, 1993, Virginia Gas Distribution Company ("Applicant" or "VGDC") filed an application with the Commission under Chapters 3 and 4 of Title 56 of the Code of Virginia. Applicant filed an amended application on September 17, 1993. The requisite fee of $250 has been paid.

Applicant requests authority to borrow up to $1.3 million of debt from its parent company, Virginia Gas Company ("VGC") in the form of a promissory note. Applicant also proposes to lend a portion of the $1.3 million loan proceeds to Virginia Gas Exploration Company ("VGEC"), a sister affiliate, in the form of a promissory note for the purpose of acquiring additional assets in support of VGDC's distribution operations.

Applicant states that funds for the proposed financing arrangements will come from the issuance of up to $3.0 million of Exempt Facility Revenue Bonds (the "Bonds") by the Industrial Development Authority of Russell County (the "Authority") for the purpose of providing funds to

acquire, improve, construct and equip a natural gas distribution facility and supporting assets to serve natural gas customers in and near the Town of Castlewood in Russell County, Virginia.

Applicant states that VGC will enter into a loan agreement with the Authority to execute and deliver a promissory note (the "Note") to the Authority in the principal amount of the Bonds at issuance. The Note will reflect the maturity, interest rate, and repayment schedule of the Bonds. The intercompany financings proposed by Applicant will also have the same maturity, interest rate, and repayment schedule as VGC's Note to the Authority.

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:

1) That Applicant is authorized from the date of this Order through September 30, 1994:

(a) to issue up to $1,300,000 aggregate principal of debt in the form of a promissory note to VGC;

(b) to loan a portion of the amount borrowed under the authority granted in ordering paragraph 1(a) to VGEC in the form of a promissory note;

all in the manner, under the terms and conditions, and for the purposes as set forth in the application;

2) That approval of the application shall have no implications for ratemaking purposes;

3) That any other affiliate financing arrangements and affiliate agreements shall require separate authority, which shall not be implied by approval of the application herein;

4) That 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) That 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) That Applicant shall file an interim report of action within 60 days of each calendar quarter ended in which any action is taken pursuant to ordering paragraph 1, to include:

(a) the principal amount, interest rate, date of issuance, maturity date, and payment terms of Bonds issued by the Authority;

(b) a copy of the financing arrangement, containing all terms and conditions of the Note from VGC to the Authority for the principal amount of the Bonds issued;

(c) a copy of the proposed affiliate financing arrangements, containing all terms and conditions of promissory notes from VGDC to VGC and VGEC to VGDC;

7) That Applicant shall file a final report of action on or before November 30, 1994, to include:

(a) a balance sheet for VGC, VGDC, and VGEC, respectively, reflecting the actions taken;

(b) a detailed account of all issuance costs incurred to date on the Bonds, the amount to be paid by VGC, and the amount and methodology used to allocate any such issuance costs to affiliate financings authorized in ordering paragraph 1;

(8) That this matter be continued, subject to the continuing review, audit and appropriate directive of the Commission.

CASE NO. PUF930039
NOVEMBER 10, 1993

APPLICATION OF
VIRGINIA GAS DISTRIBUTION COMPANY

For approval of intercompany financing

AMENDING ORDER

On September 3, 1993, Virginia Gas Distribution Company ("VGDC" or "Applicant") filed an application with the Commission under Chapters 3 and 4 of Title 56 of the Code of Virginia. In its application, VGDC requested authority to borrow up to $1.3 million of debt from its parent company, Virginia Gas Company ("VGC"), in the form of a promissory note. That note would reflect the same maturity, interest rate and repayment schedule as VGC's note to the Industrial Development Authority of Russell County (the "Authority") for the proceeds from the Authority's issuance of up to $3.0 million Exempt Facility Revenue Bonds (the "Bonds"). Applicant also requested authority to lend a portion of the

$1.3 million loan proceeds to Virginia Gas Exploration Company ("VGEC"), a sister affiliate, under the same terms and conditions as VGDC's promissory note to VGC.

By Order dated October 21, 1993, the Commission granted Applicant authority to issue up to $1.3 million aggregate principal amount of debt in the form of a promissory note to VGC and to lend a portion of the amount borrowed to VGEC in the form of a promissory note. On October 29, 1993, Applicant filed a letter requesting that the Commission amend its Order of October 21, 1993, to permit VGDC to lend a portion of the $1.3 million borrowed from VGC to either VGEC or to Virginia Gas Storage Company ("VGSC"), another sister affiliate, or to both VGEC and VGSC. Applicant proposed that any loan to VGSC be under the same terms and conditions as that approved by the Commission for VGEC in its Order dated October 21, 1993.

NOW THE COMMISSION, having considered the matter, is of the opinion that Applicant's request is reasonable and should be granted. Accordingly,

IT IS ORDERED:

1) That ordering paragraph one (1) of the Commission's Order dated October 21, 1993, be and hereby is amended to read as follows:

1) That applicant is authorized from the date of this Order through September 30, 1994:

(a) to issue up to $1,300,000 aggregate principal of debt in the form of a promissory note to VGC;

(b) to loan a portion of the amount borrowed under the authority granted in ordering paragraph 1(a) to either VGEC or VGSC or both, in the form of a promissory note;

all in the manner, under the terms and conditions, and for the purposes as set forth in the application; and

2) That all other requirements and provisions of the October 21, 1993, Order shall remain in full force and effect.

CASE NO. PUF930040
OCTOBER 12, 1993

APPLICATION OF
CENTRAL VIRGINIA ELECTRIC COOPERATIVE

For authority to convert fixed rate loans to variable rate loans

ORDER GRANTING AUTHORITY

On September 20, 1993, Central Virginia Electric Cooperative ("Central Virginia," "Applicant") filed an application with the Commission under Chapter 3 of Title 56 of the Code of Virginia. Applicant paid the requisite fee of $250.

Applicant proposes to convert the interest rate on four of its outstanding long-term loans with the National Rural Utilities Cooperative Finance Corporation ("CFC") from a fixed rate to a variable rate. The fixed rates in effect on the loans range from 8.50% to 9.75%. CFC's variable rate on long-term loans on September 16, 1993, was 4.375%. Applicant represents that such conversion, which requires the payment of fees to CFC, is expected to result in savings to its members by reducing the cost of the loans.

The Commission, upon consideration of the application and having been advised by Staff, is of the opinion that approval of the proposed transaction will not be detrimental to the public interest. Accordingly,

IT IS ORDERED:

1) That Applicant is hereby authorized to convert four CFC long-term loans from a fixed rate to a variable rate in the manner and under the terms and conditions set forth in the application;

2) That Applicant may convert the loans back to a fixed rate if market conditions make such conversion favorable;

3) That, in the event Applicant proposes to make a subsequent conversion from the fixed rate authorized in ordering paragraph 2, Applicant shall apply to the Commission for such authority;

4) That within 30 days following any action taken pursuant to this Order, Applicant shall file a Report of Action with the Commission's Division of Economics and Finance which indicates the effective date of the conversion of the loans, the interest rate in effect on each loan before and after the conversion, and a brief explanation of its rationale for converting any loan from a variable rate back to a fixed rate;

5) That approval of the application has no implications for ratemaking purposes; and

6) That there appearing nothing further to be done in this matter, it hereby is dismissed.

CASE NO. PUF930041
OCTOBER 19, 1993

APPLICATION OF
ROANOKE GAS COMPANY

For authority to issue common stock

ORDER GRANTING AUTHORITY

On September 24, 1993, Roanoke Gas Company ("Roanoke" or "Applicant") filed an application under Chapters 3 and 4 of Title 56 of the Code of Virginia requesting authority to issue common stock. Applicant has paid the requisite fee of $250.

In Case No. PUE910048, Roanoke was granted authority to issue 160,000 shares of common stock through a Dividend Reinvestment and Common Share Purchase Plan. The initial plan only provided for existing shareholder purchases. Now, Roanoke proposes to issue up to 200,000 additional shares of common stock, par value $5.00, for the purpose of providing shares to both existing shareholders and eligible customers under its Amended Dividend Reinvestment and Stock Purchase Plan ("Amended Plan").

Roanoke anticipates that the 200,000 shares will be sufficient to satisfy the purchasing requirements of the existing shareholders and eligible customers pursuant to the Amended Plan. The Amended Plan is proposed for a five year period commencing with the date that the Plan becomes effective. The total number of shares issued will be determined by the level of shareholder participation in the Amended Plan, the amount of the dividend, and the stock price at the time of purchase. Proceeds will be applied toward financing Applicant's capital requirements and may additionally be used to make contributions to the equity capital of its subsidiaries.

THE COMMISSION, upon consideration of the application and having been advised by its Staff, is of the opinion and finds that approval of the proposed financing will not be detrimental to the public interest. Accordingly,

IT IS ORDERED:

1) That Applicant is authorized to issue up to 200,000 shares of common stock under the Amended Plan for the purposes and under the terms and conditions as described in the application;

2) That the authority granted herein shall terminate and supersede the authority granted in Case No. PUF910048 by order dated January 10, 1992, as to new issues of stock commencing on the date that the Amended Plan becomes effective;

3) That the authority granted herein shall not preclude the Commission from applying the provisions of Sections 56-78 and 56-80 of the Code of Virginia hereafter;

4) That 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 hereafter;

5) That on or before December 31, 1993, Applicant shall file a final copy of the Amended Plan document, stating the actual effective date of the Plan; and

6) That this matter shall be continued, subject to the continuing review, audit and appropriate directive of the Commission.

CASE NO. PUF930042
OCTOBER 4, 1993

APPLICATION OF
RAPPAHANNOCK ELECTRIC COOPERATIVE

For authority to enter into line of credit agreements

ORDER GRANTING AUTHORITY

On September 22, 1993, Rappahannock Electric Cooperative ("Applicant", "Rappahannock") filed an application under Chapter 3 of Title 56 of the Code of Virginia for authority to enter into a line of credit agreement with Union Bank and Trust Company and with additional lenders as future situations may require. The requisite fee of $250 has been paid.

Applicant's request supplements the authority granted in Case No. PUF910022, wherein Rappahannock was authorized to borrow up to $30 million, in aggregate, from two lenders, The National Rural Utilities Cooperative Finance Corporation (CFC") and the National Bank For Cooperatives ("CoBank"). In that case, authority for issuing short-term debt was required because the $30 million amount exceeded five percent of total capitalization, as defined in § 56-65.1. In the present case, Applicant is not requesting an increase in either the $30 million short-term debt limit or the terms of the existing CFC and CoBank lines. Applicant states that having additional sources of short-term funds will provide more flexibility in the management of its financing needs, thereby insuring the most reasonable cost to its consumers.

THE COMMISSION, upon consideration of the application and having been advised by Staff, is of the opinion and finds that approval of above described financing will not be detrimental to the public interest. Accordingly,

IT IS ORDERED:

1) That Applicant is authorized to enter into line of credit agreements with lenders other than CFC and CoBank, provided that the aggregate amount of borrowings under all of Applicant's lines does not exceed $30 million;

2) That the authority to borrow up to $30 million under all line of credit agreements shall expire June 7, 1996, the same expiration date ordered in Case No. PUF910022 for the CoBank and CFC lines;

3) That this matter shall remain under the continuing review, audit and appropriate directive of this Commission for the duration of the line of credit agreements; and

4) That there appearing nothing further to be done in this case it hereby is dismissed.

CASE NO. PUF930043
OCTOBER 7, 1993

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For authority to issue First and Refunding Mortgage Bonds

ORDER GRANTING AUTHORITY

On September 22, 1993, Virginia Electric and Power Company ("Applicant" or "Company") filed an application under Chapter 3 of Title 56 of the Code of Virginia requesting authority to issue and sell one or more series of up to $760,000,000 in aggregate principal amount of First and Refunding Mortgage Bonds ("New Bonds"). Applicant has paid the requisite fee of $250.

The proceeds from the sale of the New Bonds will be used primarily to refund higher cost debt and any remaining proceeds will be used to finance the Company's capital requirements, to include funding ongoing construction and upgrading of facilities, operating and maintenance costs and refunding of mandatory security retirements and sinking funds.

The coupon rates and maturities of the New Bonds will be determined in accordance with conditions in the financial markets at the time of each issue. Maturities are expected to be between one (1) and forty (40) years and underwriting fees for the New Bonds are not expected to exceed one (1) percent of the principal value of each issue. The Company has filed a shelf registration with the Securities and Exchange Commission for the New Bonds. The Company proposes to issue the New Bonds over an indefinite time period, as financial market conditions permit.

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 further opinion and finds that the authority should be granted for a limited period through October 31, 1995. Accordingly,

IT IS ORDERED:

1) That Applicant is hereby authorized to issue up to $760,000,000 of First and Refunding Mortgage Bonds through October 31, 1995, under the terms and conditions and for the purposes set forth in the application, provided that the issuance of refunding bonds results in cost savings to Applicant;

2) That the call premiums and other expenses associated with refunding, including negative carry expenses for refunding issues only, shall be amortized over the life of the specified refunding New Bonds;

3) That Applicant shall track separately invested amounts of proceeds from New Bonds and the associated investment income during any period of negative carry;

4) That Applicant shall promptly file a copy of the Securities and Exchange Commission registration statement in conjunction with the sale of the New Bonds in its final form;

5) That Applicant shall submit a preliminary Report of Action within seven (7) days after the issuance of any New Bonds pursuant to this Order including the date issued, the amount of the issue, the coupon rate, the maturity date, the comparable U. S. Treasury rate and an explanation for the maturity chosen;

6) That within sixty (60) days after the end of each calendar quarter in which any New Bonds are issued, Applicant shall file a more detailed Report of Action with respect to the New Bonds issued including the date and amount of each series, the coupon rate, date of maturity, net proceeds to Applicant, an itemized list of all expenses to date associated with each issue, the cost of negative carry with supporting calculations and sources of such amounts, a list of uses of the proceeds, a comparison of the effective rates on the New Bonds and any refunded debt issues to demonstrate savings to Applicant, a list of all contracts and underwriting agreements regarding the sale or marketing of the New Bonds, a statement

regarding the remaining value of New Bonds which may be issued with respect to the shelf registration described herein and a balance sheet reflecting the actions taken; and

7) That Applicant shall file a Final Report of Action on, or before December 29, 1995, to include all information required in Ordering Paragraph 6 which incorporates then-current actual expenses and fees paid for the proposed financings with an explanation of any variances from the estimated expenses contained in the Financing Summary attached to the Company's application; and

8) That this matter shall be continued, subject to the continuing review, audit, and appropriate directive of the Commission.

CASE NO. PUF930044
OCTOBER 7, 1993

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For authority to issue preferred stock

ORDER GRANTING AUTHORITY

On September 27, 1993, Virginia Electric and Power Company ("Applicant" or "Company") filed an application under Chapter 3 of Title 56 of the Code of Virginia requesting authority to issue and sell one or more series of up to $100,000,000 in aggregate principal amount of Preferred Stock ("New Preferred"). Applicant has paid the requisite fee of $250.

The proceeds from the sale of the New Preferred will be used primarily to refund higher cost preferred stock issues and to finance other capital requirements of the Company, to include funding ongoing construction and upgrading of facilities, operating and maintenance costs, refunding of mandatory security retirements and sinking funds, and repaying short-term debt.

The dividend rates on each series of the New Preferred will be established on a competitive or negotiated basis at the time of sale in accordance with conditions in the financial markets at the time of each issue and dividends will be paid quarterly. Additionally, at or prior to the sale of each series of the New Preferred, a determination will be made as to whether it will be a perpetual security or one which requires mandatory or optional redemption payments. The New Preferred has been registered with the Securities and Exchange Commission. The Company proposes to issue the New Preferred over an indefinite time period, as financial market conditions permit.

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 further opinion and finds that the authority should be granted for a limited period through October 31, 1995. Accordingly,

IT IS ORDERED:

1) That Applicant is hereby authorized to issue up to $100,000,000 of New Preferred through October 31, 1995, under the terms and conditions and for the purposes set forth in the application, provided that the issuance of refunding preferred stock results in cost savings to the Company;

2) That Applicant shall promptly file a copy of the Securities and Exchange Commission registration statement in conjunction with the sale of the New Preferred in its final form;

3) That Applicant shall submit a preliminary Report of Action within seven (7) days after the issuance of any New Preferred pursuant to this Order including the date issued, the amount of the issue, the dividend rate, the maturity date and an explanation for the maturity chosen;

4) That within sixty (60) days after the end of each calendar quarter in which any New Preferred is issued, Applicant shall file a more detailed Report of Action with respect to the New Preferred issued including the date and amount of each series, the dividend rate, date of maturity, net proceeds to Applicant, an itemized list of expenses to date associated with each issue, a list of uses of the proceeds, a comparison of the effective rates on the New Preferred and any refunded preferred stock issues to demonstrate savings to the Company, a list of all contracts and underwriting agreements regarding the sale or marketing of the New Preferred, a statement regarding the remaining amount of New Preferred which may be issued with respect to the shelf registration described herein and a balance sheet reflecting the actions taken;

5) That Applicant shall file a Final Report of Action on, or before, December 29, 1995, to include all information required in Ordering Paragraph 4 which incorporates then-current actual expenses and fees paid for the proposed financings with an explanation of any variances from the estimated expenses contained in the Financing Summary attached to the Company's application; and

6) That this matter shall be continued, subject to the continuing review, audit and appropriate directive of the Commission.

CASE NO. PUF930045
OCTOBER 29, 1993

RAPPAHANNOCK ELECTRIC COOPERATIVE

For authority to incur long-term debt

ORDER GRANTING AUTHORITY

On October 4, 1993, Rappahannock Electric Cooperative ("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 Electrification Authority ("REA") and the National Bank of Cooperatives ("CoBank"). Applicant has paid the requisite fee of $250.

Applicant requests authority to obtain financing from REA in the amount of $19,547,000 and from CoBank in the amount of $8,377,000. The proceeds will be used to finance electric plant construction in accordance with Applicant's 1992-1994 Two Year Work Plan.

Applicant received CoBank loan approval on July 12, 1993, and received REA loan approval on September 3, 1993. The loan from REA will carry a fixed rate of interest of 5% for a term of thirty-five (35) years. The loan from CoBank may have a variable or fixed interest rate with a maturity up to thirty-five years. Applicant expects to select a fixed rate for a thirty-five year term on the CoBank loan.

THE COMMISSION, upon consideration of the application and having been advised by its Staff, is of the opinion that approval of the application will not be detrimental to the public interest. Accordingly,

IT IS ORDERED:

1) That Applicant is authorized to borrow up to $19,547,000 from REA and up to $8,377,000 from CoBank, under the terms and conditions and for the purposes set forth in the application;

2) That Applicant is authorized to convert the CoBank loan to a fixed interest rate if a variable interest rate is initially chosen and if market conditions make such conversion favorable;

3) That if Applicant initially chooses the fixed rate option for the CoBank loans and wishes to convert the loans to variable rate CoBank loans, Applicant shall apply for authority to do so;

4) That within thirty (30) days of the date of the first advance of funds from REA and CoBank, Applicant shall file with the Commission's Division of Economics & Finance a report of action which shall include the amount of the advance, the interest rate, loan maturity, and uses of the funds;

5) That within 30 days following any action taken pursuant to ordering paragraph 2, Applicant shall file a report of action with the Commission's Division of Economics & Finance which indicates the effective date of the conversion of the loan, the interest rate in effect before and after the conversion, and a brief explanation of the rationale for converting the loan to a fixed interest rate from a variable interest rate;

6) That approval of the application has no implications for ratemaking purposes; and

7) That there being nothing further to be done, this matter is hereby dismissed.

CASE NO. PUF930046
OCTOBER 29, 1993

APPLICATION OF
SHENANDOAH VALLEY ELECTRIC COOPERATIVE

For authority to change interest rate options on a loan agreement

ORDER GRANTING AUTHORITY

On October 4, 1993, Shenandoah Valley Electric Cooperative ("Applicant") filed an application under Chapter 3 of Title 56 of the Code of Virginia. Applicant paid the requisite fee of $250.

Applicant seeks Commission authority to choose either a fixed rate or a variable rate on an existing loan with the National Rural Utilities Cooperative Finance Corporation ("CFC"). This CFC loan was originally approved by the Commission by order dated August 25, 1992, in Case No. PUF920032 in connection with the approval of a loan from the Rural Electrification Administration. In that case, Applicant requested and received authority to borrow from CFC solely at a fixed rate option. Applicant represents that no funds have been advanced to date under the CFC loan.

Applicant also requests that, if the variable rate is chosen on the CFC loan, it be permitted to convert the variable rate to a fixed rate if market conditions make such a conversion favorable. There are no fees required to convert from a variable to a fixed rate.

The Commission, upon consideration of the application and having been advised by Staff, is of the opinion and finds that approval of the proposed transaction will not be detrimental to the public interest. Accordingly,

IT IS ORDERED:

1) That Applicant is hereby authorized to choose either the CFC variable rate option or fixed rate option on the CFC loan approved in Case No. PUF920032 as described in the application;

2) That Applicant may convert a variable interest rate on the loan to a fixed rate if market conditions make such conversion favorable;

3) That, in the event Applicant proposes to make a subsequent conversion from the fixed rate authorized in ordering paragraph 2, Applicant shall apply to the Commission for such authority;

4) That all other provisions of the Commission's order dated August 25, 1992 in Case No. PUF920032 shall remain in full force and effect;

5) That approval of the application has no implications for ratemaking purposes; and

6) That there appearing nothing further to be done in this matter, it hereby is dismissed.

CASE NO. PUF930047
OCTOBER 29, 1993

APPLICATION OF
KENTUCKY UTILITIES COMPANY

For authority to issue long term debt and preferred stock

ORDER GRANTING AUTHORITY

On October 5, 1993, Kentucky Utilities Company ("Applicant" or "Company") filed an application under Chapter 3 of Title 56 of the Code of Virginia for authority to issue and sell first mortgage bonds ("the Bonds") and/or preferred stock ("Preferred") in any aggregate combination of principal amounts not to exceed $57,000,000. Applicant has paid the requisite fee of $250.

Applicant intents to issue the bonds with maturities not to exceed 40 years. Applicant also expects that the interest rate on the Bonds will be fixed and will be determined at the time of issuance based on market conditions and other terms selected by Applicant at that time. Applicant has requested broad flexibility regarding the actual terms and conditions of the proposed Bonds and Preferred to accommodate prevailing market conditions at the time of issuance. The proceeds from the issuance of the Bonds and/or Preferred will be used to refund higher cost bonds and preferred stock of Applicant presently outstanding.

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:

1) That Applicant is authorized to issue the Bonds and/or Preferred in an aggregate principal amount not to exceed $57,000,000 through October 31, 1995, all in a manner, and under the terms and conditions, and for the purposes outlined in the application, provided that the refunding results in a savings;

2) That Applicant shall submit a Preliminary Report within seven days after the issuance of any securities pursuant to this order including the date, type, amount, interest rate or dividend rate thereon;

3) That within sixty (60) days after the end of the calendar quarter in which any securities are issued pursuant to this order, Applicant shall file a more detailed Report with respect to the securities to include the issuance date, maturity date, face amount issued, coupon rate or dividend rate, a summary of any provisions relating to the variable or convertible dividend rate, effective yield to maturity rate, sinking fund schedule, redemption or call provisions, a detailed account of all related issuance expenses to date, net proceeds received, and a detailed account of all losses on reacquired debt or preferred stock, to include negative carry, call premiums and unamortized expenses of refunded issues; .

4) That Applicant shall file a Final Report of Action on or before December 31, 1995, to include all information required in Ordering Paragraph (3) herein relative to the securities issued pursuant to this Order, and also include a schedule of actual expenses and fees paid to date for each security issue;

5) That approval of the application shall have no implications for ratemaking purposes; and

6) That this matter shall be continued, subject to the continuing review, audit, and appropriate directive of this Commission.

CASE NO. PUF930049
NOVEMBER 4, 1993

APPLICATION OF
UNITED CITIES GAS COMPANY

For authority to issue common stock

ORDER GRANTING AUTHORITY

On October 15, 1993, United Cities Gas Company ("United Cities" or "Applicant") filed an application under Chapter 3 of Title 56 of the Code of Virginia requesting authority to issue up to 200,000 shares of common stock under its Direct Stock Purchase Plan ("Plan"). Applicant has paid the requisite fee of $250.

Under the plan, as amended, any customer who is not already a shareholder will be able to make one stock purchase at a five percent discount. The five percent discount applies to the average price per share based on the closing prices for the period of five trading days ending on the pricing date. The minimum investment is $250 and the maximum investment is $10,000.

Applicant represents that the proceeds from the sale of such shares will be used to provide working capital to finance the construction, extension, improvement, and/or additions to its facilities.

THE COMMISSION, upon consideration of the application and having been advised by its Staff, is of the opinion that approval of the application will not be detrimental to the public interest. Accordingly,

IT IS ORDERED:

1) That Applicant is hereby authorized to issue and sell up to 200,000 shares of its common stock under its Direct Stock Purchase Plan, under the terms and conditions and for the purposes set forth in the amended application; and

2) That there appearing nothing further to be done in this matter, it is hereby dismissed.

CASE NO. PUF930050
NOVEMBER 4, 1993

APPLICATION OF
UNITED CITIES GAS COMPANY

For authority to issue common stock

ORDER GRANTING AUTHORITY

On October 15, 1993, United Cities Gas Company ("United Cities" or "Applicant") filed an application under Chapter 3 of Title 56 of the Code of Virginia requesting authority to issue up to 100,000 shares of common stock pursuant to the terms and conditions of its 401(k) Savings Plan ("Plan"). Applicant has paid the requisite fee of $250.

In 1987, United Cities' Board of Directors ("the Board") adopted a 401(k) plan for its employees. Under the plan, an employee could save between 1% and 15% of their pay on a tax deferred basis. For each $1.00 contributed by the employee (up to 6% of the employee's pay) United Cities contributes $.20. Depending on defined performance and profitability, United Cities may match up to an additional 20% of the first 6% contributed by the employee.

On August 6, 1993, the Board adopted an amendment to the Plan authorizing the additional optional match of 20% to be made in the form of stock. The Board also approved the issuance of up to 100,000 shares of stock through the Plan.

Applicant represents that the proceeds from the sale of such shares will be used to provide working capital to finance the construction, extension, improvement, and/or additions to its facilities.

THE COMMISSION, upon consideration of the application and having been advised by its Staff, is of the opinion that approval of the application will not be detrimental to the public interest. Accordingly,

IT IS ORDERED:

1) That Applicant is hereby authorized to issue and sell up to 100,000 shares of its common stock pursuant to its 401(k) Savings Plan, under the terms and conditions and for the purposes set forth in the application; and

2) That there appearing nothing further to be done in this matter, it is hereby dismissed.

CASE NO. PUF930051
NOVEMBER 4, 1993

APPLICATION OF
UNITED CITIES GAS COMPANY

For authority to issue common stock

ORDER GRANTING AUTHORITY

On October 15, 1993, United Cities Gas Company ("United Cities" or "Applicant") filed an application under Chapter 3 of Title 56 of the Code of Virginia requesting authority to issue up to an additional 200,000 shares of common stock pursuant to the terms and provisions of its Employee Stock Purchase Plan ("Plan"). Applicant has paid the requisite fee of $250.

In 1968, United Cities' Board of Directors ("the Board") adopted an Employee Stock Purchase Plan whereby employees were able to buy, through payroll deduction, shares of United Cities common stock. Employees are able to buy the shares at a 10% discount off the average of the closing asked price for the 30 day period prior to each price date. Of the 200,000 shares offered, as of August 31, 1993 the remained only 33,745 shares.

On August 6, 1993, the Board adopted an amendment to the plan authorizing the sale to the employees of an additional 200,000 shares of stock.

Applicant represents that the proceeds from the sale of such shares will be used to provide working capital to finance the construction, extension, improvement, and/or additions to its facilities.

THE COMMISSION, upon consideration of the application and having been advised by its Staff, is of the opinion that approval of the application will not be detrimental to the public interest. Accordingly,

IT IS ORDERED:

1) That Applicant is hereby authorized to issue and sell up to an additional 200,000 shares of its common stock pursuant to its Employee Stock Purchase Plan, under the terms and conditions and for the purposes set forth in the application; and

2) That there appearing nothing further to be done in this matter, it is hereby dismissed.

CASE NO. PUF930052
NOVEMBER 23, 1993

APPLICATION OF
COMMUNITY ELECTRIC COOPERATIVE

For authority to issue notes

ORDER GRANTING AUTHORITY

On October 18, 1993, Community Electric Cooperative ("Community", "Applicant") filed an application with the Commission under Chapter 3 of Title 56 of the Code of Virginia requesting authority to issue notes payable to the Rural Electrification Administration ("REA") and to the National Rural Utilities Cooperative Finance Corporation ("CFC"). The application was deemed complete on November 1, 1993, with the filing of a financing summary. Applicant has paid the requisite fee of $250.

Applicant proposes to increase the amount of notes issued to REA and CFC by an amount not to exceed $1,890,000 and $843,750, respectively. The interest rate on the REA note will be fixed at five percent (5%) per year. Community will have the option of selecting fixed or variable interest rates on the CFC notes at the time of the loan draws. The total amount of the notes have a concurrent maturity of thirty-five (35) years. The proceeds from the issuance will be used to finance system improvements, purchase equipment, and construct lines and extensions to Community's consumers.

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:

1) That Applicant is hereby authorized to increase the amount of notes issued to REA and CFC by $1,890,000 and $843,750, respectively, under the terms and conditions and for the purposes set forth in the application;

2) That Applicant shall seek Commission approval to convert to a variable interest rate on a CFC note once a fixed rate is selected;

3) That Applicant shall advise the Commission of the interest rate selected on the CFC note within thirty (30) days from the date of the first advance of a loan draw;

4) That this matter shall remain under the continued review, audit, and appropriate directive of the Commission, until the authority granted by this Order is exhausted; and

5) That there appearing nothing further to be done in this matter, it is hereby dismissed.

CASE NO. PUF930053
DECEMBER 13, 1993

APPLICATION OF
THE POTOMAC EDISON COMPANY

For authority to make borrowings under the terms of a multi-year credit agreement

ORDER GRANTING AUTHORITY

On October 25, 1993, The Potomac Edison Company ("Applicant" or "Potomac") filed an application under Chapters 3, 4, and 5 of Title 56 of the Code of Virginia requesting authority to enter into and make borrowings under a Competitive Advance and Revolving Credit Facility Agreement (the "Agreement") from the date of this order through December 31, 1997. Applicant also requests authority to pledge as security for such borrowings the stock it owns in its subsidiary, Allegheny Generating Company ("AGC"). Applicant paid the requisite fee of $250.

Applicant proposes to enter into the Agreement along with Monongahela Power and West Penn Power for up to a maximum credit limit of $300,000,000 with several New York banks. Potomac, Monongahela Power and West Penn Power are wholly owned subsidiaries of Allegheny Power System, Inc. Potomac's portion of the total amount is $84,000,000. Interest rates on loans will be determined at the time of issue and will be market based. The proceeds of the borrowing will be used to finance ongoing construction program, acquisition of property, and improvement or maintenance of Applicant's electric system. The Agreement may be used as a supplement to or in lieu of public financing and short-term debt programs for which Applicant currently has authority from the Commission.

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:

1) That Applicant is authorized to enter into the Competitive Advance and Revolving Credit Facility Agreement, together with its affiliates, for up to a maximum aggregate principal of $300,000,000 at any one time, from the date of this order through December 13, 1997, and that Applicant is authorized to make borrowings under the Agreement up to a maximum of $84,000,000, under the terms and conditions and for the purposes set forth in the application;

2) That Applicant is authorized to pledge as security for borrowings under the Agreement its ownership of stock in its subsidiary, Allegheny Generating Company, under the terms and conditions and for the purposes set forth in the application;

3) That approval of the application does not preclude the Commission from applying the provisions of §§ 56-78 and 56-80 of the Code of Virginia;

4) That the Commission reserves the right to examine the books and records of any affiliate, whether such affiliate is regulated by this Commission, in connection with the authority granted herein, pursuant to § 56-79 of the Code of Virginia;

5) That approval of the application shall have no implications for ratemaking purposes;

6) That within 15 days of the execution of the Agreement, Applicant shall file a preliminary report of action stating the date of execution of the Agreement and preliminary list of lenders participating in the Agreement;

7) That after the first borrowing made under the Agreement, Applicant shall file a semi-annual report of action within 30 days of the end of the second and fourth calendar quarters to include the beginning outstanding balance, the total amount of new issuances and repayments during the quarter, a list describing any permanent debt instruments issued to reduce outstanding balances, the average balance and average effective rate during each month, and the maximum daily outstanding during each month;

8) That Applicant shall file a Final Report of Action on or before February 28, 1998, including the same information required by ordering paragraph (7); and

9) That this matter shall be continued, subject to the continuing review, audit and appropriate directive of the Commission.

CASE NO. PUF930054
NOVEMBER 23, 1993

APPLICATION OF
UNITED CITIES GAS COMPANY

For authority to incur short-term indebtedness

ORDER GRANTING AUTHORITY

On October 29, 1993, United Cities Gas Company ("Applicant" or "United Cities") filed an application with the Commission under Chapters 3 and 4 of Title 56 of the Code of Virginia. In its application, United Cities requested authority to borrow up to $45,000,000 of short-term debt during calendar year 1994 and to lend or borrow short-term debt among it and its subsidiaries up to a maximum of $3,000,000 outstanding loans at any one time for maturity periods of less than twelve months. The amount of short-term debt proposed in this application is in excess of five percent of capitalization as defined in § 56-65.1. Applicant has paid the requisite fee of $250.

United Cities presently has authority to incur up to $45,000,000 of short-term debt through December 31, 1993 by order dated December 17, 1992, in Case No. PUF920046. This authority was later amended to include up to $2,500,000 in affiliate loans and borrowings. Now, Applicant proposes to borrow short-term funds through the end of 1994 by making draw-downs under Master Note arrangements already in place with several banks. The interest rates are expected to be either negotiated or the equivalent of the then-prevailing prime commercial lending rate at the time of the draw-down, with principal and interest paid on a set maturity date. The interest rates on the affiliate transactions may range from prime rate to the rate available to the lending company as an alternative investment rate for a similar amount and term but, 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. The Commission is of the futher opinion that the authority granted in Case No. PUF920046 should be terminated and superseded by the authority granted herein. Accordingly,

IT IS ORDERED:

1) That Applicant is hereby authorized to issue short-term debt in excess of five percent of capitalization in an aggregate amount outstanding not to exceed $45,000,000 at any one time from the date of this Order through December 31, 1994, under the terms and conditions and for the purposes set forth in the application;

2) That Applicant is hereby authorized to lend or borrow short-term debt among it and its subsidiaries up to an aggregate amount of $3,000,000 from the date of this Order through December 31, 1994, under the terms and conditions and for the purposes set forth in the application;

3) That Applicant shall continue to file within 60 days of the end of each calendar quarter commencing on the date of this Order, 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) That 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;

5) That 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) That this matter shall remain under the continued review, audit and appropriate directive of the Commission, until the authority granted by this Order is exhausted; and

7) That there appearing nothing further to be done pursuant to Case No. PUF920046 the matter shall be and is hereby dismissed.

CASE NO. PUF930055
NOVEMBER 24, 1993

APPLICATION OF
CONTEL OF VIRGINIA, INC., d/b/a GTE VIRGINIA

For authority to issue short-term debt to an affiliate

ORDER GRANTING AUTHORITY

On October 29,1993, Contel of Virginia, Inc. d/b/a GTE Virginia ("GTE Virginia" or "Applicant") filed an application under Chapters 3 and 4 of Title 56 of the Code of Virginia to issue up to $100,000,000 in short-term debt to an affiliate. This amount of short-term debt is in excess of five percent of capitalization as defined in § 56-65.1. Applicant has paid the requisite fee of $250.

Applicant proposes to issue short-term notes to an affiliate, from time to time, up to the maximum of $100,000,000, between January 1, 1994 and December 31, 1994. The borrowings will be from GTE Corporation through its intercompany borrowing pool. The interest rate will be the GTE Corporation's daily commercial paper yield for 30-day maturities plus 15 basis points. The maturity of the debt will be the end of the calendar year 1994, but may be repaid at any prior time with no penalties. The proceeds of the borrowings will be used to finance ongoing construction and to retire current maturities of long-term debt during 1994.

THE COMMISSION, upon consideration of the application, and having been advised by its Staff, is of the opinion and finds that approval of the above proposed financing will not be detrimental to the public interest. Accordingly,

IT IS ORDERED:

1) That Applicant is hereby authorized to issue short-term notes to an affiliate in an aggregate amount outstanding not to exceed $100,000,000 at any one time from January 1, 1994 through December 31, 1994, under the terms and conditions and for the purposes set forth in the application;

2) That should Applicant wish to borrow short-term debt after December 31, 1994, in excess of five percent of total capital as defined in § 56-65.1 of Chapter 3, Applicant shall seek subsequent approval from the Commission at an appropriate time;

3) That approval of the application does not preclude the Commission from applying the provisions of §§ 56-78 and 56-80 of the Code of Virginia;

4) That the Commission reserves the right to examine the books and records of any affiliate, whether such affiliate is regulated by this Commission, in connection with the authority granted herein, pursuant to § 56-79 of the Code of Virginia;

5) That approval of the application shall have no implications for ratemaking purposes;

6) That Applicant shall file within 30 days after the end of each calendar quarter during 1994, a report of action to include the beginning balance of short-term debt, issuances, repayments, effective interest rate, average balance and average effective rate for each month, and maximum daily outstanding during month;

7) That Applicant shall file a final report of action no later than February 1, 1995, to include an annual projection of the monthly maximum short-term debt balances for the calendar year 1995, along with a comparison to the five percent statutory limitation; and

8) That this matter shall be continued, subject to the continuing review, audit and appropriate directive of the Commission.

CASE NO. PUF930056
DECEMBER 13, 1993

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY
and
DOMINION RESOURCES, INC.

For authority to sell common stock

ORDER GRANTING AUTHORITY

On November 15, 1993, Virginia Electric and Power Company ("Applicant" or "Company") and Dominion Resources, Incorporated ("DRI") filed an application under Chapters 3 and 4 of Title 56 of the Code of Virginia requesting authority to issue and sell in one or more transactions up to $100,000,000 in aggregate of the Company's common stock to DRI during the fourth quarter of 1993. The application was deemed complete on November 24, 1993, with the filing of the capital structure for DRI. Applicant has paid the requisite fee of $250.

The proceeds from the sale of the common stock will be used primarily to pay short-term indebtedness and otherwise to meet a portion of its capital requirements to include construction, upgrading and maintenance expenditures and the refunding of outstanding 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:

1) That Applicant is authorized to sell up to $100,000,000 of common stock without par value to Dominion Resources, Inc. under the terms and conditions and for the purposes set forth in the application;

2) That the authority granted herein shall not preclude the Commission from applying the provisions of Sections 56-78 and 56-80 of the Code of Virginia hereafter;

3) That 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) That Applicant shall submit a Preliminary Report of Action within ten (10) days of each issuance of common stock, to include the date of issuance, the number of shares sold, the purchase price per share, and the total amount of the proceeds;

5) The Applicant shall submit a Final Report of Action on or before February 28, 1994, to include the date(s) of issuance, the amount of the proceeds, the number of shares, the price per share, the use of the proceeds, the total proceeds of DRI's stock purchase plans and the amounts received by each subsidiary, the issuance expenses allocated by DRI to Virginia Power in connection with the stock transactions, and a balance sheet reflecting the actions taken; and

6) That this matter shall be continued, subject to the continuing review, audit and appropriate directive of the Commission.

CASE NO. PUF930057
DECEMBER 17, 1993

APPLICATION OF
GTE SOUTH INCORPORATED

For authority to incur short-term indebtedness up to $225 million

ORDER GRANTING AUTHORITY

On November 19, 1993, GTE South, Incorporated ("GTE South", "Applicant") filed two separate applications related to short-term borrowing authority. By letter dated November 29, 1993, Staff informed Applicant that both applications would be considered together in one case because they both involve short-term debt borrowing authority.

GTE South's application filed under Chapter 3 of Title 56 of the Code of Virginia requested authority to issue up to $225 million of short-term debt in the form of commercial paper through December 31, 1994. The amount of short-term debt proposed in this application is in excess of the five percent of capitalization as defined in § 56-65.1. GTE South's application filed under Chapter 4 of Title 56 of the Code of Virginia requested permanent authority to borrow and invest funds on a short-term basis through an intercompany financing agreement as granted by Commission Order dated February 12, 1993, in Case No. PUF920050. Applicant paid the requisite fee of $250.

Applicant states that the borrowings will be used to complete merger and property repositioning activities during the year, meet 1994 operational and capital expenditure requirements, reimburse its treasury for past expenditures related to on-going operations and construction programs, and retire long-term debt. The interest rate on commercial paper issues will vary daily and depend on market conditions.

Applicant further seeks to continue indefinitely the authority granted in Case No. PUF920050, which presently extends through February 28, 1994. In that case, Applicant received authority for the short-term borrowing and investment of funds directly with its parent company, GTE Corporation, under the terms of GTE Corporation's Financial Policy and Standard Practice. Applicant represents that while GTE South has a higher commercial paper rating than GTE Corporation, Applicant intends to constantly monitor the capital markets in order to avail itself of the most attractive rates it can find.

The Commission, upon consideration of the applications and having been advised by its Staff, is of the opinion and finds that GTE South's incurrence of up to $225 million short-term indebtedness will not be detrimental to the public interest. The authority for short-term indebtedness granted herein shall pertain to short-term borrowings through either commercial paper or affiliate borrowings, to the extent that any short-term affiliate borrowings bear equal or lower costs than available to GTE South for comparable non-affiliate borrowings. The Commission is of the further opinion and finds that the public interest would be better served by granting Applicant the authority for the short-term borrowing and investment of funds with GTE Corporation over a limited period of time. The Commission is also of the opinion that the authority granted in Case Nos. PUF920050 and PUF930026 should be terminated and superseded by the authority granted herein. Accordingly,

IT IS ORDERED:

1) That the authority granted in Case Nos. PUF920050 and PUF930026 is hereby terminated and superseded by the authority granted herein;

2) That Applicant is hereby authorized to incur total short-term indebtedness in excess of five percent of capitalization in an aggregate amount not to exceed $225,000,000 at any one time from the date of this Order through December 31, 1994, for the purposes and under the terms and conditions as described by Applicant;

3) That Applicant is hereby authorized to borrow and invest funds on a short-term basis with GTE Corporation from the date of this Order through December 31, 1994, for the purposes and under the terms and conditions as described by Applicant;

4) That Applicant shall seek subsequent approval from the Commission if the terms and conditions of the affiliate agreement approved herein should change;

5) That approval of the application does not preclude the Commission from applying the provisions of Sections 56-78 and 56-80 of the Code of Virginia hereafter;

6) That 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;

7) That the authority granted herein shall have no implications for ratemaking purposes;

8) That on or before March 1, 1994, Applicant shall file an interim report of the action taken pursuant to all short-term borrowing and investment authority granted herein, to include a schedule of the daily balance of all commercial paper borrowings and all affiliate borrowings, repayments, and investments from March 1, 1993 through December 31, 1993, corresponding interest rates on all reported transactions, and a balance sheet and statement of cash flows for Applicant and GTE Corporation as of December 31, 1993;

9) That on or before March 1, 1995, Applicant shall file a Final Report of the action taken pursuant to the authority granted herein, to include a schedule of the daily balance of all commercial paper borrowings and all affiliate short-term borrowings, repayments, and investments from January 1, 1994 through December 31, 1994, corresponding interest rates on all reported transactions, and a balance sheet and statement of cash flows for Applicant and GTE Corporation as of December 31, 1994; and

10) That this matter shall remain under the continuing review, audit, and appropriate directive of this Commission.

CASE NO. PUF930058
DECEMBER 15, 1993

APPLICATION OF
APPALACHIAN POWER COMPANY

For authority to issue short-term debt in excess of 5% of total capital

ORDER GRANTING AUTHORITY

On November 24,1993, Appalachian Power Company ("Applicant") filed an application under Chapter 3 of Title 56 of the Code of Virginia to issue up to $250,000,000 in short-term debt. This amount of short-term debt is in excess of five percent of capitalization as defined in § 56-65.1. Applicant has paid the requisite fee of $250.

Applicant proposes to issue short-term debt in the form of bank notes and/or commercial paper, from time to time, up to the maximum of $250,000,000, from January 1, 1994, through December 31, 1995. The interest rates will be market based and each borrowing will mature no more than 270 days from issuance. The proceeds will be used to finance ongoing construction and for 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 above proposed financing will not be detrimental to the public interest. Accordingly,

IT IS ORDERED:

1) That Applicant is hereby authorized to issue short-term debt in excess of five percent of total capitalization in an aggregate amount outstanding not to exceed $250,000,000 at any one time from January 1, 1994, through December 31, 1995, under the terms and conditions and for the purposes set forth in the application;

2) That approval of the application shall have no implications for ratemaking purposes;

3) That Applicant shall file on or before March 1 of 1995 and 1996, reports of action to include the beginning balance of bank notes and commercial paper, issuances, repayments, effective interest rate, a schedule of average balance and average effective rate for each month, the maximum daily amount outstanding during each month of the year, and a year-end statement of capitalization;

4) That this matter shall be continued, subject to the continuing review, audit and appropriate directive of the Commission.

CASE NO. PUF930059
DECEMBER 17, 1993

APPLICATION OF
DELMARVA POWER AND LIGHT COMPANY

For authority to incur short-term indebtedness

ORDER GRANTING AUTHORITY

On November 24, 1993, Delmarva Power and Light Company ("Applicant" or "Delmarva") filed an application with the Commission under Chapter 3 of Title 56 of the Code of Virginia. In its application, Delmarva requested authority to borrow up to $150,000,000 of short-term debt through December 31, 1996. The amount of short-term debt proposed in this application is in excess of five percent of capitalization as defined in § 56-65.1. Applicant has paid the requisite fee of $250.

Delmarva presently has authority to incur up to $100,000,000 of short-term debt through December 31, 1993, by extending order dated December 23, 1992, in Case No. PUA880049. This was the second extension of the original authority granted by order dated September 29, 1988.

Now, Applicant proposes to issue short-term debt through commercial paper and unsecured loans. Applicant states that the funds will be used to meet temporary working capital requirements and as interim or bridge financing for long-term capital requirements and for 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. The Commission is of the further opinion that the authority granted in Case No. PUA880049 should be terminated and superseded by the authority granted herein. Accordingly,

IT IS ORDERED:

1) That the authority granted in Case No. PUA880049 is hereby terminated and superseded by the authority granted herein;

2) That Applicant is hereby authorized to issue short-term debt in excess of five percent of capitalization in an aggregate amount outstanding not to exceed $150,000,000 at any one time from the date of this Order through December 31, 1996, under the terms and conditions and for the purposes set forth in the application;

3) That Applicant shall file a Report of Action on or before January 31, 1995, January 31, 1996 and January 31, 1997 for each preceding year regarding short-term debt financing to include the source, amount, date, and interest rate of each issue, the use of the proceeds, the average monthly balances, the monthly maximum amount outstanding, and any expenses, commissions or fees paid in connection with the short-term debt; and

4) That this matter shall remain under the continued review, audit and appropriate directive of the Commission.

CASE NO. PUF930061
DECEMBER 22, 1993

APPLICATION OF
THE POTOMAC EDISON COMPANY

For authority to refinance certain debt and preferred stock

ORDER GRANTING AUTHORITY

On December 2, 1993, The Potomac Edison Company ("Applicant" or "Company") filed an application under Chapter 3 of Title 56 of the Code of Virginia requesting authority to refinance certain debt and preferred stock issues prior to maturity. Applicant paid the requisite fee of $250.

Applicant has filed with the Securities and Exchange Commission (SEC) pursuant to Rule 415 ("shelf registration") for authority to issue $195,000,000 of first mortgage bonds and $15,000,000 of preferred stock in one or more series. Applicant also proposes to refinance $21,000,000 of pollution control bonds with the Pleasant County Commission of West Virginia. Applicant proposes to redeem the following high coupon issues: the 9 1/4% Series due 2019, the 9 5/8% Series due in 2020, the 8 7/8% Series due 2021, and the Pleasant County 7.30% Series B. Applicant also proposes to issue preferred stock to redeem the $8.32 Series F and $8.00 Series G currently outstanding. Applicant states that the securities will be issued only when market conditions exist that will result in cost savings after considering the costs of the new issue. The expected maturity of the bonds will be up to thirty (30) years, and the preferred stock may be perpetual or have a fixed maturity. Interest rates and dividend rates will be determined at the time of issuance and will be market based.

THE COMMISSION, upon consideration of the application and representations of Applicant, and having been advised by its Staff, is of the opinion that approval of the described financing will not be detrimental to the public interest. Accordingly,

IT IS ORDERED:

1) That Applicant hereby is authorized to issue up to $195,000,000 in first mortgage bonds, up to $21,000,000 in pollution control bonds, and up to $15,000,000 in preferred stock, between January 1, 1994 and December 31, 1995, under the terms and conditions and for the purposes as set forth in the application;

2) That Applicant shall file on or before January 31, 1994, a copy of the Registration Statements and Exhibits filed with the SEC;

3) That Applicant shall submit a preliminary Report of Action within seven days after the issuance of any securities pursuant to this Order to include the date(s) of issue, amount of issue, type of security, interest rate, comparable Treasury yield, date of maturity, underwriters' names, and net proceeds to Applicant;

4) That within sixty days after the end of each calendar quarter in which any securities are issued, Applicant will file a detailed Report of Action containing the following: a detailed analysis of the savings due to the new issue, showing the effective cost rate (annual yield to maturity method) of the redeemed issue compared to the new issue, the date(s) of issue, amount issued, coupon interest rate, comparable Treasury yield, sinking fund schedule, date of maturity, any redemption or call provisions, underwriters' names, underwriters' fees, a detailed account of all issuance expenses to date, net proceeds to Applicant, and remaining unissued authority;

5) That Applicant shall file a final report of action on or before March 15, 1996, containing the information required in ordering paragraph (4);

6) That this matter shall be continued, subject to the continuing review, audit and appropriate directive of the Commission.

CASE NO. PUF930062
DECEMBER 20, 1993

APPLICATION OF
COMMONWEALTH GAS SERVICES, INC.
and
THE COLUMBIA GAS SYSTEM, INC.

For approval of intercompany financing for 1994

ORDER GRANTING AUTHORITY

On November 30, 1993, Commonwealth Gas Services, Inc. ("Applicant" or "Commonwealth") and The Columbia Gas System, Inc. ("System") 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 1994. Applicant has paid the requisite fee of $250.

Commonwealth requests authority to enter into the following financing arrangements with System, its parent company, during the calendar year of 1994: 1) to issue to System up to an aggregate amount of $16,000,000 in Installment Promissory Notes ("Notes"); 2) to borrow up to an aggregate amount of $30,000,000 at any one time in short-term loans from the System and/or other affiliated companies through the Intrasystem Money Pool ("Money Pool"); and 3) to invest temporary excess funds, from time to time, in the Money Pool. The $30,000,000 of short-term debt is in excess of five percent of capitalization as defined in § 56-65.1.

The proceeds from the sale of the Notes will be used to fund construction and to retire currently outstanding long-term debt, which matures during 1994. Money Pool borrowings will be used to fund peak short-term requirements such as gas purchases and storage.

In offering financing to Commonwealth, System proposes to allocate a proportionate share of the fees associated with System's amended $100,000,000 Secured Revolving Credit Agreement approved by the Bankruptcy Court on May 11, 1993. The fees associated with System's credit agreement are estimated to be about $1,000,000 for 1994. Commonwealth's prorata share of these fees is currently 10.32%, or about $100,000.

THE COMMISSION, upon consideration of the application and having been advised by its Staff, is of the opinion and finds that approval of the above proposed financing should be granted. However, while the proposed intercompany financing appears to be in the public interest, approval of the financing in no way reflects approval of the proposed costs for ratemaking purposes. Accordingly,

IT IS ORDERED:

1) That Applicant is hereby authorized to:

(a) issue to System up to an aggregate amount of $16,000,000 of Notes;

(b) borrow through the Money Pool from System and/or other affiliates in excess of five percent of capitalization up to an aggregate amount of $30,000,000; and

(c) invest temporary excess funds in the Money Pool

from January 1, 1994 through December 31, 1994, all in the manner, under the terms and conditions, and for the purposes set forth in the application;

2) That Applicant shall account for all allocated fees associated with System's Revolving Credit Agreement such that administrative, commitment, structuring, and facility fees may be separately and individually discernible;

3) That approval of the application shall have no implications for ratemaking purposes;

4) That 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) That 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;

6) That Applicant shall file quarterly reports within 60 days of the end of each calendar quarter following the date of this Order, to include:

(a) monthly schedules of Money Pool borrowings, segmented according to System notes and notes issued to other affiliates;

(b) monthly schedules that separately reflect interest expenses and each type of allocated fee;

(c) monthly schedules of System's borrowings under its Revolving Credit Agreement; and

(d) a report detailing the issuance and sale of Notes, to include the principal amount, date of issuance, interest rate, date of maturity, issuance expenses, net proceeds to Applicant, and use of the proceeds;

7) That Applicant shall file a final report of action on or before February 28, 1995, to include data for the fourth quarter of 1994 as prescribed in ordering paragraph 6 herein; and

8) That this matter shall be continued, subject to the continuing review, audit, and appropriate directive of the Commission.

CASE NO. PUF930063
DECEMBER 20, 1993

APPLICATION OF
A & N ELECTRIC COOPERATIVE

For authority to issue notes

ORDER GRANTING AUTHORITY

On December 2, 1993, A & N Electric Cooperative ("A & N", "Applicant") filed an application with the Commission under Chapter 3 of Title 56 of the Code of Virginia requesting authority to issue notes payable to the Rural Electrification Administration ("REA") and to the National Rural Utilities Cooperative Finance Corporation ("CFC"). Applicant has paid the requisite fee of $250.

Applicant proposes to increase the amount of notes issued to REA and CFC by an amount not to exceed $2,870,000 and $1,281,250, respectively. The interest rate on the REA note will be fixed at five percent (5%) per year. A & N will have the option of selecting fixed or variable interest rates on the CFC notes at the time of the loan draws. The total amount of the notes have a concurrent maturity of thirty-five (35) years. The proceeds from the issuance will be used to finance additions and/or improvements to the distribution facilities.

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:

1) That Applicant is hereby authorized to increase the amount of notes issued to REA and CFC by $2,870,000 and $1,281,250, respectively, under the terms and conditions and for the purposes set forth in the application;

2) That Applicant shall seek Commission approval to convert to a variable interest rate on a CFC note once a fixed rate is selected;

3) That Applicant shall advise the Divison of Economics and Finance of the interest rate selected on the CFC note within thirty (30) days from the date of the first advance of a loan draw;

4) That this matter shall remain under the continued review, audit, and appropriate directive of the Commission, until the authority granted by this Order is exhausted; and

5) That there appearing nothing further to be done in this matter, it is hereby dismissed.

DIVISION OF RAILROAD REGULATION

CASE NO. RRR920004
FEBRUARY 11, 1993

APPLICATION OF
NORFOLK SOUTHERN RAILWAY COMPANY

For authority to abolish Mobile Agency Route SOU VA-7

FINAL ORDER

By application filed on October 19, 1992, Norfolk Southern Railway Company ("NS") requests authority to abolish Mobile Agency Route SOU VA-7 which operates under the jurisdiction of the NS base agent at Danville, Virginia. Non-agency stations at Altavista, Yeatts, Sycamore, Gretna, Chatham, Dry Fork, Blairs and Ringgold, Virginia, and Ruffin, Pennrington, Reidsville and Benaja, North Carolina, would be placed under the jurisdiction of the NS base agent at Danville. On October 24, 1992, the Commission issued an order requiring public notice of the application and directing the Division of Railroad Regulation to investigate the matter.

Public comments and requests for hearing were required to be filed by December 15, 1992. Several written comments were filed, but no requests for hearing were received. The Division investigated the matter and filed its investigation report on February 5, 1993, as required by the Commission's order.

The Division found that the Danville base agency could absorb the duties currently performed by the mobile agent covering Route SOU VA-7, and that train service should not be affected. Elimination of the mobile agency would result in annual savings to NS of $51,684. The Division concluded that adequate and efficient service to the public can be maintained if Mobile Agency Route SOU VA-7 is abolished and recommended that we grant the application.

Some of the written comments received in this case express concern over the loss of personal contact with NS if the agency duties are moved to Danville. The Division contacted a number of shippers using the railroad in the affected area. A large majority of them expressed no opposition to the transfer provided adequate and efficient service is maintained. An essential condition for approval of any transfer of agency duties is that service remain adequate and efficient, and we intend the same to apply here. Nothing in this record indicates that service would deteriorate if the application were approved.

Based on the record herein, we find that the application should be granted; accordingly,

IT IS ORDERED:

(1) That NS is authorized to abolish Mobile Agency Route SOU VA-7 and to transfer jurisdiction over the non-agency stations at Altavista, Yeatts, Sycamore, Gretna, Chatham, Dry Fork, Blairs and Ringgold, Virginia, and Ruffin, Pennrington, Reidsville and Benaja, North Carolina, to the NS base agent at Danville, Virginia; and

(2) That, there being nothing further to come before the Commission in this proceeding, Case No. RRR920004 be closed and the papers therein placed in the Commission's files for ended causes.

CASE NO. RRR920005
MARCH 1, 1993

APPLICATION OF
CSX TRANSPORTATION, INC.

For authority to move its agency at Williamsburg, Virginia, and the non-agency stations under its jurisdiction to the Richmond, Virginia Transportation Service Center

FINAL ORDER

By application filed on November 4, 1992, CSX Transportation, Inc. ("CSXT") requests authority to move its agency at Williamsburg to the CSXT Transportation Service Center at Richmond, Virginia. Non-agency stations of Amoco, Badische, Grove, Lee Hall, Lightfoot, Magruder, Mountcastle, Nance, Norge, Penniman, Providence Forge, Reservoir, Roxbury and Toano would also be placed under the jurisdiction of the Richmond Transportation Service Center. On November 10, 1992, the Commission issued an order requiring public notice of the application and directing the Division of Railroad Regulation to investigate the matter.

Public comments and requests for hearing were required to be filed by December 31, 1992. No requests for hearing were filed. The Division investigated the matter and filed its investigation report on February 15, 1993, as required by the Commission's order.

The Division found that the Richmond Transportation Service Center can absorb the agency duties now performed by the Williamsburg agency. A clerk position will be added in Richmond and a clerk will remain in Williamsburg to support yard operations. Approval of the application would result in an annual savings to CSXT of approximately $44,000. The Division concluded that CSXT can continue to provide adequate and efficient service to the public if the application were approved.

Some of the patrons of CSXT interviewed by the Division expressed concerns over the loss of personal contact with CSXT if the agency duties now performed at Williamsburg were transferred to Richmond. As we have stated before, an essential condition for approval of any transfer of agency duties is that service remain adequate and efficient. Nothing in this record indicates that service would deteriorate if agencies duties are transferred from Williamsburg to Richmond.

Based on the record herein, we find that the application should be granted; accordingly,

IT IS ORDERED:

(1) That CSXT is authorized to transfer the duties of its Williamsburg, Virginia agency, and jurisdiction over the non-agency stations of Amoco, Badische, Grove, Lee Hall, Lightfoot, Magruder, Mountcastle, Nance, Norge, Penniman, Providence Forge, Reservoir, Roxbury and Toano, Virginia, to the CSXT Richmond Transportation Service Center; and

(2) That, there being nothing further to come before the Commission in this proceeding, Case No. RRR920005 be closed and the papers therein be placed in the Commission's files for ended causes.

CASE NO. RRR920006
APRIL 12, 1993

APPLICATION OF
NORFOLK SOUTHERN RAILWAY COMPANY

For authority to close the Charlottesville, Virginia agency and place Charlottesville under the jurisdiction of the agency at Manassas, Virginia

FINAL ORDER

By application dated November 20, 1992, Norfolk Southern Railway Company ("NS") requests authority to close its Charlottesville, Virginia agency. Under the NS proposal, Charlottesville would become a non-agency station under the jurisdiction of the NS agency at Manassas, Virginia. Non-agency stations now under the jurisdiction of Charlottesville (Orange, Montpelier, Somerset, Barboursville, Gilbert, Proffit, North Garden, Covesville and Arrington) would be transferred to the jurisdiction of the Manassas agency also.

By order of December 8, 1992, the Commission required public notice of the application and directed the Division of Railroad Regulation to investigate the matter. Public comment and requests for hearing were required to be filed by February 22, 1993. Several comments were received, but a hearing has not been requested. The Division's investigation report was filed on April 2, 1993, as required by the Commission's order.

The Division found that the Manassas agency can absorb the agency duties performed by the Charlottesville agency. Train service would not be affected, and a savings of approximately $63,500 annually would accrue to NS. The Division concluded that NS can continue to provide adequate and efficient service to the public if the application were granted.

Several customers of NS, in comments and in interviews with the Division, expressed concern that service might be adversely affected by a transfer of the Charlottesville agency. Approval of the application would not authorize any changes in train service, and the record reflects that the proposed transfer can be accomplished without any adverse effect on service. The Division notes that it will call on customers after the transfer to inquire about the continued adequacy of service. It should report the results of that inquiry to the Commission.

Based on the record herein, we find that the application should be granted; accordingly,

IT IS ORDERED:

(1) That NS is authorized to close its Charlottesville, Virginia agency and to transfer the agency duties now performed at Charlottesville to its agency at Manassas, Virginia;

(2) That Charlottesville be transferred to non-agency station status under the jurisdiction of the NS agency at Manassas, Virginia;

(3) That jurisdiction over the non-agency stations at Orange, Montpelier, Somerset, Barboursville, Gilbert, Proffit, North Garden, Covesville and Arrington be transferred to the NS agency at Manassas; and

(4) That, there being nothing further to come before the Commission in this proceeding, Case No. RRR920006 be closed and the papers therein placed in the Commission's files for ended causes.

CASE NO. RRR920007
MAY 27, 1993

APPLICATION OF
CSX TRANSPORTATION, INC.

For authority to consolidate its base agency and mobile agency service at Winchester, Virginia, into its Customer Service Center at Jacksonville, Florida

FINAL ORDER

By application dated December 18, 1992, CSX Transportation, Inc. ("CSXT") requests authority to consolidate its agency at Winchester, Virginia, into its Customer Service Center in Jacksonville, Florida. CSXT proposes to transfer both its Winchester base agency and the mobile agency operating from there. The Jacksonville Customer Service Center would also acquire jurisdiction over the non-agency stations of Bartonville, Capon Road, Cedar Creek, Freyco, Kernstown, Middletown, Oranda, Orndorff Siding, South Winchester, Stephens City, Strasburg Junction, Swimley, Vaucluse, and Wadesville, Virginia.

On January 11, 1993, the Commission issued an order requiring public notice of the application and directed the Division of Railroad Regulation to investigate the matter. Public comment and requests for hearing were required to be filed by April 9, 1993. Several comments were received, but no hearing was requested. The Division's investigation report was filed on May 14, 1993, as required by the Commission's order.

The Division found that the Jacksonville Customer Service Center could absorb the agency duties now performed at Winchester. It concluded that agency service rendered from Jacksonville would be more efficient and estimated that CSXT would save approximately $42,000 per year. The Division's opinion is that CSXT could maintain adequate and efficient service if the application were approved.

Several customers of CSXT expressed concerns that railroad service might be adversely affected by the proposed transfer of the Winchester agency. Some noted problems already experienced with obtaining cars and communicating with CSXT. Approval of this application would not authorize changes in train service, and the record reflects that the proposed transfer can be accomplished without any adverse effect on service. The Division believes that CSXT should address the current problems, and we agree. It also plans to call on customers again after the consolidation, and we should be advised if any inadequacies of service are revealed by the Division's inquiry.

Based on the record in this case, we find that the application should be granted; accordingly,

IT IS ORDERED:

(1) That CSXT is authorized to consolidate its agency at Winchester, Virginia, into its Customer Service Center in Jacksonville, Florida;

(2) That jurisdiction over the non-agency stations at Bartonville, Capon Road, Cedar Creek, Freyco, Kernstown, Middletown, Oranda, Orndorff Siding, South Winchester, Stephens City, Strasburg Junction, Swimley, Vaucluse, and Wadesville, Virginia, shall be transferred to the Jacksonville Customer Service Center, and

(3) That, there being nothing further to come before the Commission in this proceeding, Case No. RRR920007 shall be closed and the papers therein placed in the Commission's files for ended causes.

CASE NO. RRR930001
JULY 23, 1993

APPLICATION OF
NORFOLK SOUTHERN RAILWAY COMPANY

For authority to close its agency at Franklin, Virginia, and to place Franklin under the jurisdiction of its open agency at Suffolk, Virginia

FINAL ORDER

By application filed on April 16, 1993, Norfolk Southern Railway Company ("NS") requests authority to close its Franklin, Virginia agency. NS proposes to make Franklin a non-agency station under the jurisdiction of its agency at Suffolk, Virginia. Non-agency stations now under the jurisdiction of Franklin (Courtland, Capron, Dreweryville, Green Plain, Emporia, Kingsberry and Holland) would be transferred to the jurisdiction of the Suffolk agency also.

By order of April 27, 1993, the Commission required public notice of the application and directed the Division of Railroad Regulation to investigate the matter. Public comment and requests for hearing were required to be filed by June 30, 1993. No comments objecting to the NS proposal were filed, and no requests for hearing were made. The Division's investigation report was filed on July 16, 1993, as required by the Commission's order.

The Division found that the Suffolk agency can absorb the agency duties now performed by the Franklin agency. Train service would not be affected, and an annual savings of approximately $46,865 would accrue to NS. The Division concluded that NS could continue to provide adequate and efficient service to the public if the application were granted.

Based on the Division's investigation report, we find that the application should be granted; accordingly,

IT IS ORDERED:

(1) That NS is authorized to close its Franklin, Virginia agency and to transfer the agency duties now performed at Franklin to its agency at Suffolk, Virginia;

(2) That Franklin be transferred to non-agency station status under the jurisdiction of the NS agency at Suffolk;

(3) That jurisdiction over the non-agency stations at Courtland, Capron, Dreweryville, Green Plain, Emporia, Kingsberry and Holland, Virginia be transferred to the NS agency at Suffolk; and

(4) That, there being nothing further to come before the Commission in this proceeding, Case No. RRR930001 be closed and the papers therein placed in the Commission's files for ended causes.

CASE NO. RRR930002
OCTOBER 21, 1993

APPLICATION OF
CSX TRANSPORTATION, INC.

For authority to consolidate its base agency and mobile agency service at Lynchburg, Virginia, into its Customer Service Center at Jacksonville, Florida

FINAL ORDER

In an application dated May 3, 1993, CSX Transportation, Inc. ("CSXT") requests authority to consolidate its agency service (including its mobile agency) for Lynchburg, and the non-agency stations under its jurisdiction, namely, Archer Creek, Balcony Falls, Big Island, Buchanan, Buena Vista, Buncher, Caskie, Emil, Gladstone, Glasgow, Kelly, Mt. Athos, Riverville, and Sells, Virginia, into its Customer Service Center at Jacksonville, Florida.

By order of May 17, 1993, the Commission required public notice of the application and directed the Division of Railroad Regulation to investigate the matter. Public comment and requests for hearing were required to be filed by July 16, 1993. Several comments were received, but there is no pending request for a hearing. The Division's investigation report was filed on October 8, 1993, as required by the Commission's previous order.

The Division found that CSXT customers would conduct their business in the same manner if the consolidation were approved, except that toll-free telephone calls now received by CSXT in Lynchburg would be received in Jacksonville. Approval of the application would not authorize any changes in train service, and customers should continue to receive the same range of agency services from Jacksonville. CSXT expects an annual savings of $42,000 per year if the application were approved. The Division concluded that adequate and efficient service could be maintained for Lynchburg customers if the application were approved. We agree.

Several customers expressed concern about the proposed consolidation. The Commission has approved consolidations of this nature in the past, and to date no complaints have been received. Customers have been advised to notify the Division of service problems, and the Division will call on Lynchburg customers after the consolidation to inquire about the continued adequacy of service.

Based on the record herein, we find that the application should be granted; accordingly,

IT IS ORDERED:

(1) That CSXT is authorized to consolidate its agency and mobile agency service for Lynchburg, Virginia, into its Customer Service Center at Jacksonville, Florida;

(2) That the non-agency stations at Archer Creek, Balcony Falls, Big Island, Buchanan, Buena Vista, Buncher, Caskie, Emil, Gladstone, Glasgow, Kelly, Mt. Athos, Riverville and Sells, Virginia may be transferred to the jurisdiction of the Jacksonville Customer Service Center; and

(3) That, there being nothing further to come before the Commission in this proceeding, Case No. RRR930002 be closed and the papers therein placed in the Commission's files for ended causes.

DIVISION OF SECURITIES AND RETAIL FRANCHISING

CASE NOS. SEC850042 and SEC850043
FEBRUARY 10, 1993

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

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
ERNEST W. EDWARDS, JR.,
Defendant

FINAL ORDER

BY ORDER entered herein on September 9, 1986, the Commission accepted the offer of settlement made by the Defendants and continued these cases generally pending the Defendants' compliance with certain provisions of the offer, including Edwards' compliance with the Chapter 13 Plan confirmed by the U.S. Bankruptcy Court, Eastern District of Virginia, Norfolk Division.

IT NOW APPEARING to the Commission that Edwards did not comply with the Chapter 13 Plan; that the Chapter 13 proceeding was dismissed because of Edwards' noncompliance; that Edwards has left the Commonwealth; that his current whereabouts are unknown; and, that the Division of Securities and Retail Franchising has recommended that these matters now be concluded; it is, therefore,

ORDERED that all sanctions, conditions and undertakings of a continuing nature set forth in the prior order shall remain in effect in accordance with their terms; that this order, solely by reason of its entry, shall not affect any duty or obligation to disclose the existence or nature of this matter or of any order entered herein; and, that these matters be, and they hereby are, dropped from the docket and the papers herein be placed in the file for ended causes.

CASE NOS. SEC870013, SEC870014, SEC870015, SEC870016, SEC870017, and SEC870018
SEPTEMBER 10, 1993

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
FUSION ENERGY FOUNDATION, INC.
CAUCUS DISTRIBUTORS, INC.
PUBLICATION AND GENERAL MANAGEMENT, INC.
CAMPAIGNER PUBLICATIONS, INC.
EIR NEWS SERVICE, INC., t/a EXECUTIVE INTELLIGENCE REVIEW
PUBLICATION EQUITIES, INC.,
Defendants

ORDER OF SETTLEMENT

This proceeding was commenced in February 1987 when the Division of Securities and Retail Franchising appeared before the Commission seeking a temporary injunction under the Securities Act (Va. Code § 13.1-501 et seq.) against Fusion Energy Foundation, Inc., Caucus Distributors, Inc., Publication and General Management, Inc., Campaigner Publications, Inc., EIR News Service Inc., t/a Executive Intelligence Review, and Publication Equities, Inc., the defendants herein. After presentation of oral arguments from counsel for the Division and for the defendants and upon consideration of briefs filed by counsel as well as by the Attorney General of Virginia, amicus curiae, the Commission found that the promissory notes issued by the defendants were securities for purposes of the Securities Act and temporarily enjoined the defendants from engaging in activities in violation of Va. Code §§ 13.1-502, 13.1-504 B, and 13.1-507 (see, Opinion and Order entered herein on March 4, 1987, 1987 SCC Ann. Rep. 314 (1987)). By order dated August 31, 1987, the Commission granted the defendants' motion to stay the proceedings generally and to keep in effect the temporary injunction until otherwise ordered by the Commission. The status of these cases has not changed since the entry of this order.

It now appears to the Commission that the defendants, as an offer to settle all matters arising from the allegations herein against them without resort to further hearing, agree to be permanently enjoined from engaging in the offer or sale of securities in violation of Va. Code §§ 13.1-502 and 13.1-507 and from employing unregistered agents in violation of Va. Code § 13.1-504 B.

The Division has recommended that the defendants' offer of settlement be accepted pursuant to the authority granted to the Commission in Va. Code § 12.1-15. It is, therefore,

ORDERED:

(1) That, pursuant to the authority granted to the Commission in Va. Code § 12.1-15, the defendants' offer of settlement is accepted;

(2) That pursuant to Va. Code § 13.1-519, the defendants, including their directors, officers, employees, agents, successors and assigns, be, and they hereby are, permanently enjoined from violating the provisions of Va. Code § 13.1-502, § 13.1-504 B or § 13.1-507; and,

(3) That these cases be, and they hereby are, dismissed and the papers herein be placed in the file for ended causes.

CASE NO. SEC890208
FEBRUARY 10, 1993

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
DREXEL BURNHAM LAMBERT INCORPORATED
and
THE DREXEL BURNHAM LAMBERT GROUP INC.,
Defendants

FINAL ORDER

BY ORDER entered herein on December 18, 1989, the Commission accepted the offer of settlement made by the Defendants and retained jurisdiction in this matter pending the Defendants' compliance with certain provisions of the offer, including Drexel Burnham Lambert Incorporated substantially curtailing its retail securities and mutual fund operations in this Commonwealth.

IT NOW APPEARING to the Commission that the registration of Drexel Burnham Lambert Incorporated as a broker-dealer under the Securities Act of Virginia was terminated on May 1, 1990; that in 1991 the Defendants became subject to a proceeding under Chapter 11 of the federal Bankruptcy Code; that Drexel Burnham Lambert's membership in the National Association of Securities Dealers, Inc. was terminated in February 1992; that it has ceased transacting any business as a broker-dealer; and, that the Division of Securities and Retail Franchising recommends that this proceeding be concluded; it is, therefore,

ORDERED that all sanctions, conditions and undertakings of a continuing nature set forth in the prior order shall remain in effect in accordance with their terms; that this order, solely by reason of its entry, shall not affect any duty or obligation to disclose the existence or nature of this matter or of any order entered herein; and, that this matter be, and it hereby is, dropped from the docket and the papers herein be placed in the file for ended causes.

CASE NO. SEC910069
JANUARY 22, 1993

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
JEFFERY W. CAUDILL,
Judgment Debtor,
and
ADVEST, INC.,
Garnishee.

DISMISSAL ORDER

ON A FORMER DAY, the Clerk, pursuant to a suggestion filed by counsel for the Staff, issued a writ of fieri facias upon that judgment entered by this Commission against the Judgment Debtor on January 1, 1992; and the clerk also issued Garnishment Summonses which, together with the notices required by Virginia Code § 8.01-512.4, were duly served upon the Judgment Debtor and the Garnishee as required by law. The Garnishee filed a written statement with the Clerk of the net wages payable to the Judgment Debtor on and after service of the Garnishment Summons, and remitted the proper portion of such wages to the Commonwealth. The Judgment Debtor made no claim of exemption or appearance in this proceeding.

Upon consideration thereof, and upon motion of counsel for the Staff,

IT IS ORDERED that this case is dismissed.

CASE NO. SEC910069
JANUARY 26, 1993

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
JEFFERY W. CAUDILL,
Judgment Debtor,
and
ADVEST, INC.,
Garnishee.

CORRECTED DISMISSAL ORDER

ON A FORMER DAY, the Clerk, pursuant to a suggestion filed by counsel for the Staff, issued a writ of fieri facias upon that judgment entered by this Commission against the Judgment Debtor on January 13, 1992; and the clerk also issued Garnishment Summonses which, together with the notices required by Virginia Code § 8.01-512.4, were duly served upon the Judgment Debtor and the Garnishee as required by law. The Garnishee filed a written statement with the Clerk of the net wages payable to the Judgment Debtor on and after service of the Garnishment Summons, and remitted the proper portion of such wages to the Commonwealth. The Judgment Debtor made no claim of exemption or appearance in this proceeding.

Upon consideration thereof, and upon motion of counsel for the Staff,

IT IS ORDERED that this case is dismissed.

CASE NO. SEC920066
FEBRUARY 23, 1993

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

SETTLEMENT ORDER

IT APPEARING to the State Corporation Commission of Virginia ("Commission") that James Ridinger, without admitting or denying the allegations of the Division of Securities and Retail Franchising ("Division") contained in the Rule to Show Cause issued in this matter on June 23, 1992 ("Rule to Show Cause"), has made a proposal to settle all matters arising from the allegations by offering the following terms and undertakings:

(1) James Ridinger will not transact business in this Commonwealth as an agent as defined by Virginia Code § 13.1-501 unless so registered under the Virginia Securities Act or exempted therefrom;

(2) James Ridinger will offer for sale and sell in this Commonwealth, whether indirectly or directly, only securities as defined by Virginia Code § 13.1-501 that are either registered under the Virginia Securities Act or exempted therefrom;

(3) For a period of three (3) years from the date of this Settlement Order, James Ridinger will not apply for registration in any capacity under the Virginia Securities Act;

(4) As a condition of registration as an agent under the Virginia Securities Act, James Ridinger shall obtain a passing score of at least 70% on the Series 63 Examination in effect at the time of his application for registration;

(5) James Ridinger will pay to the Commonwealth a penalty of four thousand dollars ($4,000) and will pay to the Commission the sum of one thousand dollars ($1,000) to defray the cost of the investigation.

The Division has recommended that the Defendant's offer of settlement be accepted pursuant to the authority granted to the Commission in Virginia Code § 12.1-15.

NOW, THEREFORE, IT IS ORDERED:

(1) That, pursuant to the authority granted to the Commission in Virginia Code § 12.1-15, 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 Virginia Code § 13.1-521, James Ridinger pay to the Commonwealth a penalty in the amount of four thousand dollars ($4,000) and pursuant to Virginia Code § 13.1-518, pay to the Commission the sum of one thousand dollars ($1,000) to defray the cost of the investigation and that the Commonwealth of Virginia and the Commission recover of and from the Defendant said amounts;

(4) That the total sum of five thousand dollars ($5,000) tendered by James Ridinger contemporaneously with the entry of this Settlement Order is accepted in satisfaction of the preceding paragraph;

(5) That for good cause shown neither the existence nor the terms of this Settlement Order or the Rule to Show Cause shall disqualify any issuer from availing itself of the exemption created by the Commission's Securities Act Rules, Rule 503, on account of the Defendant's being a person specified in Section A.2. of that Rule; and

(6) That this case be dismissed and the papers herein be placed in the file for ended causes.

CASE NO. SEC920077
DECEMBER 20, 1993

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

SETTLEMENT ORDER

The State Corporation Commission of Virginia ("Commission"), having initiated this action by entering a Rule to Show Cause containing the allegations of the Division of Securities and Retail Franchising ("Division"), and the Defendant, First Investors Corporation ("FIC"), having filed its answer to the Rule to Show Cause denying all of the material allegations herein and all claims of wrongdoing herein, having waived its right to hearing, argument, or adjudication of any issues of law or fact herein, having consented to the entry of this settlement order in full and final settlement of this action, including all claims that were, or could have been, asserted arising out of the subject matter of this action, with prejudice and without costs to the Defendant, without admitting any of the allegations of the Rule to Show Cause (except as to jurisdiction) and with the understanding that this judgment shall not in any event be construed as, or be deemed to be, an admission or concession or evidence of any liability or wrongdoing on the part of the Defendant, FIC, or First Investors Management Company, Inc. ("FIMCO"), First Investors Consolidated Corporation ("FICON"), First Investors Fund for Income, Inc. ("FIFI") or First Investors High Yield Fund, Inc. ("FIHY"), and FIC and FICON having made the undertakings to the Commission as set forth in items VI and VII;

NOW, on consideration of the Rule to Show cause dated August 4, 1992, the Answer dated July 22, 1993, and the consents of FIC, FIMCO, FICON, FIFI, and FIHY dated December 20, 1993; and due deliberation having been had,

On motion of the Division, it is hereby

I.

ORDERED that FIC be permanently enjoined from engaging in fraudulent practices in violation of Virginia Code § 13.1-502 and Virginia Securities Act Rules 305A.3 and 305A.18 in the sale or offering for sale of securities to the public within or from the Commonwealth of Virginia, as principal, broker, agent, salesperson, or otherwise, such fraudulent practices to include, without limitation,

(i) obtaining money or property by means of any untrue statement of a material fact or any omission to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading;

(ii) recommending to a customer the purchase, sale or exchange of any security without reasonable grounds to believe that the recommendation is suitable for the customer based upon reasonable inquiry concerning the customer's investment objectives, financial situation and needs, and any other relevant information known by the broker-dealer; or

(iii) using any advertising or sales presentation in such a fashion as to be deceptive or misleading, and it is further

II.

ORDERED that FICON, on behalf of FIC, shall pay $7.5 million in settlement of restitution claims of FIFI and FIHY investors nationwide, into and to supplement the $24.7 million fund that, taking into account credited amounts, was previously established in the Registry of the United States District Court for the Southern District of New York (the "Fund"), in the following manner:

(i) FICON, on behalf of FIC, shall pay $3 million into the Fund not later than December 31, 1993; and

(ii) FICON, on behalf of FIC, shall pay $4.5 million into the Fund on the earliest of the three following dates: (a) seven days prior to the distribution of the Fund, (b) the date that any defendant files a notice of appeal challenging the approval of a plan of distribution of the Fund ordered by the United States District Court for the Southern District of New York, or (c) December 31, 1994, and it is further

III.

ORDERED that defendant FIC shall:

(i) take reasonable steps to supervise diligently the activities of persons employed by and associated with FIC;

(ii) have sales materials and sales presentations that are consistent with regulatory requirements, and do not contain any materially false or misleading information or any material omissions of fact;

(iii) take reasonable steps to train registered representatives adequately so that they understand the products they are selling and the investors for whom the products are suitable;

(iv) obtain and record information about the financial background, investment objectives, risk tolerance and tax status of each investor in accordance with the requirements of NASD Rules of Fair Practice, Art. III, Sections 2 and 21(c), in connection with any investment recommendation;

(v) review and obtain suitability information in accordance with the requirements of NASD Rules of Fair Practice, Art. III, Sections 2 and 21(c), in connection with a new recommendation made to an existing customer in order to determine if the investor's financial circumstances have changed;

(vi) have procedures requiring that each new account be reviewed and approved by a licensed office manager or other designated registered principal of the firm prior to the commencement of investment activity in that account;

(vii) have procedures requiring that, prior to execution, orders be reviewed and approved by an office manager or other designated registered principal of the firm;

(viii) have procedures requiring that switching transactions (wherein the investor exchanges, for an additional sales commission, one investment for another upon the recommendation of an FIC salesperson) are reviewed and approved by an office manager or other designated registered principal as having a reasonable investment basis;

(ix) have procedures requiring that FIC monitor and review its procedures to determine if they are adequate to accomplish the foregoing objectives in sub-paragraphs (i) through (viii) above and update such procedures when appropriate, and it is further

IV

ORDERED that defendant FIC shall, immediately upon the entry of this order, cause monthly or quarterly account statements to be sent to FIC customers of all FIMCO managed mutual funds to include the total market value of the account as of the last business day of the reporting period and shall cause periodic account statements containing such information to be disseminated to such FIC customers at least quarterly, and it is further

V

ORDERED that defendant FIC, as well as FICON, FIMCO, FIFI, and FIHY:

(i) shall, commencing with the December 31, 1993 annual report to shareholders, cause all annual reports for FIFI and FIHY to include: (a) a line graph depicting the fund's performance during the reporting period in comparison to an appropriate broad-based securities market index, in accordance with the requirements of Item 5A of SEC Form N-1A, (b) a graphic or tabular presentation of the dollar weighted average of credit ratings of the fund's portfolio holdings during the reporting period as assigned by Standard & Poor's or Moody's Investment Service, or FIMCO in the case of unrated securities, and (c) the dollar-weighted average during the reporting period of the total of the fund's investment in zero coupon bonds, payment-in-kind bonds or similar instruments, and

(ii) shall, commencing with any amended FIFI and FIHY prospectuses that become effective after July 31, 1993, cause all prospectuses for said funds to disclose the information described in sub-paragraph (i)(a) above, and it is further

VI

ORDERED that defendant FIC, as well as FICON, shall comply with the following undertakings:

(i) Within 90 days of the date of this Order, cause account 1statements confirming all sales of FIMCO managed mutual funds to contain (a) a capsule description of the investment objective of the Fund consistent with that contained in the funds' prospectuses, and (b) a reminder notification that a description of the charges, fees and expenses incurred in connection with the sale (as well as, for FIFI and FIHY, the risks associated with an investment in the fund) can be found in the prospectus.

(ii) Within 90 days of the date of this Order, disclose to new customers at or about the time of the confirmation of their initial purchase, in substance, that registered representatives of FIC generally are more highly compensated for the sale of FIMCO managed mutual funds than for the sale of other mutual funds having similar investment objectives.

(iii) Within 90 days of the date of this Order have procedures requiring that, whenever registered representatives of FIC recommend the purchase of a FIMCO managed mutual fund and simultaneously recommend the liquidation of other investments for the purpose of effectuating such purchase, the nature of the investment to be liquidated be recorded to permit review of such transactions by office managers or other registered principals and compliance personnel.

(iv) Immediately upon the date of this Order, and for a minimum of two years thereafter, refrain from promoting or encouraging sales of any single FIMCO managed high yield bond fund, or group of such high yield funds, to residents of the Commonwealth of Virginia through the offer, payment or award to registered representatives of any higher than ordinary compensation, bonuses, premiums, or prizes in sales contests, whether the encouragement takes the form of cash awards or the granting of points or credits toward any award, or any other manner of tangible or intangible value by reason of sales of such high yield bond funds.

(v) Immediately upon the date of this Order, comply with the "Guidelines for Registration of Periodic Payment Plans" as adopted by the membership of the North American Securities Administrators Association, Inc. ("NASAA Guidelines") for all permitted sales of any periodic payment plan of any FIMCO managed mutual fund, and for a minimum of two years after the date of this Order refrain from new sales (not including exchanges) of any periodic payment plan of any FIMCO managed, high yield bond fund to residents of the Commonwealth of Virginia, and its is further

VII

ORDERED that defendant FIC shall comply with the following undertakings:

(i) within two years from the date of this Order, terminate the payment of commission overrides to any persons other than office managers, registered principals and those other persons who are responsible for the supervision of the person who produced the sale generating the commission; and

(ii) within three years from the date of this Order, require all FIC complex heads and complex directors to hold a NASD Series 7 license, and it is further

VIII

ORDERED that defendant FIC shall retain an appropriate outside consultant of its choosing to review the function of the boards of directors of FIFI and FIHY, study ways in which the effectiveness of the boards of directors might be improved and prepare a report of its findings by December 31, 1994. FIC shall furnish a copy of the report prepared by the outside consultant to the Division. The Division shall hold such report in confidence and not disclose it to the public, pursuant to Virginia Code § 13.1-518(B). FIC and the boards of directors of FIFI and FIHY shall review any recommendations that might be made by the outside consultant and the boards of directors of FIFI and FIHY shall take such action with respect to any recommendations that might be made as they deem appropriate in the exercise of their duties, and it is further

IX

ORDERED that defendant FIC shall retain Piper & Marbury, together with any consultants as Piper & Marbury reasonably deems necessary (the "reviewer"), to conduct five annual compliance reviews of current practices of FIC for sales to residents of the Commonwealth of Virginia commencing by November, 1993, and each year thereafter for a total of five annual compliance reviews. These compliance reviews shall be conducted in conjunction with the reviews specified in paragraph IV(F) of the Order of the Securities and Exchange Commission Instituting Proceedings In the Matter of First Investors Corporation, File No. 3-77-66. Defendant FIC and/or FICON shall fully pay for such compliance reviews, which shall be subject to the following terms:

(i) FIC and its affiliates shall cooperate, grant access and produce documents to the reviewer to the same extent as they must with the NASD, SEC and state securities examiners.

(ii) FIC and its affiliates shall not make any claim against the Commonwealth of Virginia or the Commission of any privilege, including without limitation, attorney-client, attorney work product, self-critical analysis privilege, or trade secrets with respect to any document or mechanical or electronic recording created, obtained, reviewed or transmitted by the reviewer, including but not limited to, reports, work papers, data bases, memoranda, correspondence, or notes of interviews, meetings, telephone conversations, investigations or research. All privileges that may be raised against any other persons are specifically retained by FIC.

(iii) The compliance reviews shall be reasonably designed to determine whether:

(a) Registered representatives are ascertaining and recording relevant investor suitability information before recommending the purchase of any investments.

(b) Registered representatives are recommending any investments by means of any untrue statements or any omission to state a material fact necessary in order to make the statement made, in the light of the circumstances under which they were made, not misleading.

(c) Registered representatives are adequately trained and understand the products they are selling and the investors for whom the products are suitable.

(d) Sales of periodic payment plans are made in compliance with the NASAA Guidelines that are described in item VI (v) of this judgment.

(e) FIC has designed, implemented and enforced reasonable written supervisory procedures, suitability guidelines and training materials for the solicitation of retail purchases and sales of investments.

(f) FIC has designed, implemented and enforced reasonable written supervisory procedures for the preparation, approval and dissemination of any communications with the public, including prospectuses, brochures, written or visual sales aids, and other materials used by FIC in the sale of investment products or in training registered representatives to sell such products, to ensure that such materials comply with applicable state and federal securities laws and the rules and regulations of the NASD.

(g) FIC has designed, implemented and enforced reasonable written supervisory guidelines for recording the receipt and nature of all investor complaints, directing all such complaints to the Legal or Compliance Departments, requiring timely reviews of such complaints by the Legal or Compliance Departments, requiring timely reviews of such complaints by appropriately qualified personnel, reporting to appropriate management any recurring or significant matters, and responding to investors within a reasonable period of time after receipt of any complaints or inquiries.

(h) Office managers, complex heads and complex directors are adequately supervising their offices regarding the subjects set forth in sub-paragraphs (iii)(a) through (d).

(i) FIC has designed, implemented, and enforced reasonable written policies and procedures clearly delineating the responsibilities of the Compliance and Legal Departments with regard to the matters covered by sub-paragraphs (iii)(a) through (h).

(j) FIC, and its NASD designated principals where appropriate, are adequately supervising and monitoring the performance of FIC's employees and sales representatives with respect to the subjects set forth in sub-paragraphs (iii)(a) through (i).

(iv) The reviewer shall consult with the Division prior to the commencement of the examination to assure that compliance reviews correctly apply applicable state regulations in the examination of the subjects set forth in sub-paragraph (iii) and to discuss any other sales practice or circumstance known to the Division which the Division believes is relevant to the subjects set forth in sub-paragraph (iii).

(v) The reviewer shall conduct compliance reviews in an independent and impartial manner. Accordingly, the reviewer shall not accept any other engagement from FIC, or its affiliates, during the term of the review engagement and for a period of two years after the final review, shall exercise independent judgment in all facets of the design and implementation of the compliance reviews, shall not accept instructions from FIC at variance hereto or in addition hereto (except upon notice to the Division), and shall provide the Division with all reports or draft reports simultaneously with delivery to FIC.

(vi) In reviewing transactions with the public, the reviewer may exclude transactions where the only new investments purchased within the review period were cash management fund shares.

(vii) The reviewer may employ reasonable sampling techniques, which may include inspections, interviews, and investor questionnaires, and shall, with the advice of a certified public accountant, perform attribute sampling to permit an evaluation of the suitability of sales of FIFI and FIHY to residents in New York, Maine, Massachusetts, Virginia and Washington State with a confidence level of at least 95 percent and to a precision of at least 3 percent, or such other level as is permitted by the volume of sales of FIFI and FIHY to residents in such states.

(viii) The reviewer shall issue a report summarizing the findings and recommendations of the compliance review within 90 days of the commencement of each review. The report shall also contain a general description of the methodology and procedure used in the review.

(ix) The reports of the reviewer shall be admissible in any proceeding which may be instituted by the Commonwealth of Virginia or the Commission. Neither FIC nor the Division may object to the competency of the reviewer, or its agents. The reviewer shall be made available, as required, to testify in any such proceeding.

(x) In the event that the reviewer is unable to perform the required services, a substitute reviewer shall be selected who is not unacceptable to the Division.

(xi) In the event that any final report prepared pursuant to this item IX identifies any practice or condition that is in violation of law, may operate to harm investors or is otherwise recommended by the reviewer for corrective measures, FIC shall cause, within 45 days of the delivery of the final report, the implementation of appropriate measures to address such matters and shall furnish the Division, within 60 days of the delivery of the final report, written confirmation of the remedial measures implemented, and it is further

X

ORDERED that reports of compliance with the terms of this Order shall be submitted to the Division according to the following schedule:

(i) Within 30 days of the date of this Order, FIC and FICON shall submit a report of compliance with items VI (i), (iv), and (v).

(ii) Within 120 days of the date of this Order, FIC and FICON shall submit a report of compliance with items IV and VI (ii) and (iii).

(iii) Within 25 months of the date of this Order, FIC shall submit a report of compliance with item VII (i).

(iv) Within 37 months of the date of this Order, FIC shall submit a report of compliance with item VII (ii).

(v) Within 10 days after each of the two payments required by items II (i) and (ii), FIC shall submit a report of compliance.

(vi) Within 30 days after implementation of each change required by item V, FIC, FIMCO, FIFI and FIHY shall submit a report of compliance, and it is further

XI

ORDERED that the Division shall respond to requests from members of the public for information obtained from the Defendant in connection with the Division's inquiry of the defendant to date, in accordance with Virginia Code § 13.1-518(B), and shall promptly inform counsel for the Defendant in writing of any request by any member of the public to obtain any such information from the Division. This paragraph shall not prohibit employees of the Commission from providing information to governmental agencies investigating any claim related to this case, and it is further

XII

ORDERED that within sixty days from the date of this Order, FIC shall increase the number of directors comprising the board of directors of FIC by at least two persons, so that the board has at least five members; and such additional person who become directors of FIC as a result of this Order shall have no connection by blood or marriage with any current board member, and shall not have social or business relationships with any director, officer or controlling shareholder of FIC or any of its affiliates which would render them incapable of exercising independent judgment as directors of FIC, and it is further

XIII

ORDERED that all previous stipulations and agreements between the Division of FIC and all previous orders, stays, injunctions and decisions of the Commission and its Hearing Examiner are superseded by this Order. Any proceeding to enforce this Order shall be made on reasonable notice to the opposing individual or entity so as to afford the opposing individual or entity an opportunity to cure any alleged violation of this Order. In any proceeding by the Commission to enforce this Order against the defendant FIC and/or FIMCO, FICON, FIFI and FIHY, a finding by the Commission of a violation of this Order shall, in addition to all other remedies available as a matter of law, be deemed prima facie evidence sufficient to support the issuance by the Commission of a judgment of permanent injunction directing that the violation be cured, and it is further

XIV

ORDERED that FIC, FIMCO, FICON, FIFI and FIHY may at any time apply to the Commission for a modification of this Order on the basis of a material change in circumstances, including without limitation, a change in law, applicable regulations or material facts, and it is further

XV

ORDERED that, at any time after the final report of the compliance reviewer provided for in item IX hereof, FIC, FIMCO, FICON, FIFI and FIHY may apply to the Commission for vacation of this Order and/or other relief from their obligations hereunder, which shall be granted upon a showing at that time that (a) FIC, FIMCO, FICON, FIFI and FIHY have satisfied the provisions of items II and IV through X, and (b) FIC, FIMCO, FICON, FIFI and FIHY have complied with items I and III above.

CASE NO. SEC920078
MAY 24, 1993

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
CONSUMERS' BUYLINE, INC.,
KEITH RANIERE, and
ROBERT G. BREMNER, JR.,
Defendants

FINAL ORDER

This case was instituted on July 17, 1992, when a Motion for Issuance of Temporary Injunction pursuant to the Securities Act was filed by the Staff of the Commission against Consumers' Buyline, Inc. Pending final resolution of the issues raised by the Staff's motion, Consumers' Buyline, Inc. consented to the entry on July 22, 1992, of an Interim Order. A Rule to Show Cause was entered on March 11, 1993, and this matter came on for hearing before the Commission on May 10, 1993. At the conclusion of the evidence presented by the Staff, the Commission heard oral argument on the question of whether the record of this case establishes that the Consumers' Buyline program in issue constitutes a security.

The Commission, upon consideration of the evidence adduced at the hearing and the arguments of counsel, is of the opinion and finds that this case should be dismissed for the reasons given in its bench ruling on May 11, 1993; accordingly, it is

ORDERED that the Rule to Show Cause entered in this case be, and it hereby is, dismissed; that the Interim Order entered herein on July 22, 1992, be, and it hereby is, vacated; and, that the papers herein be placed in the file for ended causes.

CASE NOS. SEC920129, SEC920131 and SEC920130
JANUARY 21, 1993

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
AMERICAN FAMILY MARKETING INTERNATIONAL, LTD.,
JAMES R. GOETCHEUS,
and
WILLIAM D. RICHARDS,
Defendant

FINAL ORDER AND JUDGMENT

Pursuant to the Rule to Show Cause issued herein on November 24, 1992, these cases came on for hearing before the Commission on January 12, 1993. The Rule alleged that the Defendants had offered and sold securities in violation of the Securities Act, specifically Va. Code §§ 13.1-504 and 13.1-507. Each of the individual Defendants, Goetcheus and Richards, timely filed responsive pleadings and appeared at the hearing, pro se. American Family Marketing International, Ltd. ("AFMIL") submitted a responsive pleading signed by Goetcheus as "CEO, FOUNDER." The Division of Securities and Retail Franchising was represented by its counsel.

At the conclusion of his opening statement, counsel for the Division moved (i) to consolidate these three cases for hearing and (ii) to reject AFMIL's responsive pleading because it was not signed on behalf of AFMIL by a member of the Virginia State Bar. The Defendants did not object to the cases being consolidated, and this motion was granted. Mr. Goetcheus stated that he was not a lawyer and that AFMIL was a corporation; consequently, the pleading tendered on behalf of AFMIL was rejected (see, S.C.C. Rules of Prac. & Proc., 4:8).

The Commission, based upon the pleadings, evidence and arguments, is of the opinion and finds:

(1) That AFMIL is a corporation organized and existing under the laws of the State of Nevada; its office is, and during the period of time relevant to these cases, was located at 12-B Doolittle Road, Hampton, Virginia;

(2) That during the period of time relevant to these cases, Goetcheus and Richards were officers and agents of AFMIL; part of their efforts on behalf of AFMIL was devoted to raising capital for the corporation;

(3) That in September 1988 and January 1989, AFMIL offered and sold to a Virginia resident three securities, to wit: two notes or evidences of indebtedness, designated "Loan Agreement and Certificate," and one option to purchase a Loan Agreement and Certificate;

(4) That one Loan Agreement and Certificate was sold for $2,500, the option was sold for $500 and the second Loan Agreement and Certificate was sold for $2,000;

(5) That the offer and sale of these securities were effected by Goetcheus and Richards at AFMIL's office in Hampton, Virginia;

(6) That in November 1989, and again in December 1989, the Virginia resident was contacted by Goetcheus and solicited to invest in an AFMIL opportunity designated the "Royalty Commission" program;

(7) That as a consequence of Goetcheus' solicitations, the resident went to AFMIL's office and made four $3,000 investments in the Royalty Commission program offered by AFMIL -- two investments were made in November 1989 and two were made in December 1989;

(8) That each investment in the Royalty Commission opportunity constitutes the purchase of a security in the form of an investment contract;

(9) That none of the aforesaid securities issued by AFMIL was registered under the Securities Act during the time period relevant to this matter;

(10) That neither Goetcheus nor Richards was registered under the Securities Act as an agent of AFMIL during the time period relevant to this matter;

(11) That the activities described in paragraphs (2) through (10), above, constitute violations of Va. Code §§ 13.1-504 and 13.1-507, to wit:

(i) AFMIL employed two unregistered agents and offered and sold seven unregistered securities;

(ii) Goetcheus transacted business in the Commonwealth as an unregistered agent and offered and sold seven unregistered securities;

(iii) Richards transacted business in the Commonwealth as an unregistered agent and offered and sold three unregistered securities; and,

(12) That as a consequence of their illegal activities, the Defendants should be subjected to sanctions, which are set out below.

It is, therefore,

ORDERED:

(1) That, pursuant to Va. Code § 13.1-519:

(a) American Family Marketing International, Ltd. be, and it hereby is, permanently enjoined from (i) employing an unregistered agent in violation of Va. Code § 13.1-504 or (ii) offering or selling any security in violation of Va. Code § 13.1-507; and

(b) James R. Goetcheus and William D. Richards each be, and hereby is, permanently enjoined from (i) transacting business in this Commonwealth as an agent or broker-dealer in violation of Va. Code § 13.1-504 or (ii) offering or selling any security in violation of Va. Code § 13.1-507;

(2) That, pursuant to Va. Code § 13.1-521 C, the Defendants, jointly and severally, be, and they hereby are, requested either to rescind the seven illegal securities sales and to make restitution to the purchaser or to otherwise settle with the purchaser the seven illegal sales, and if the Defendants comply with this request within six (6) months from the date of this order, the maximum amount of penalty, if any, imposed on each Defendant shall not exceed $1,000;

(3) That if the Defendants fail to comply with the request, the Commission reserves its authority under Va. Code § 13.1-521 to impose upon each Defendant a penalty in the maximum amount allowed, to wit:

(i) American Family Marketing International, Ltd:	$45,000;
(ii) James R. Goetcheus:	$40,000;
(iii) William D. Richards:	$20,000;

(4) That within six (6) months from the date of this order, the Defendants notify in writing the Division of Securities and Retail Franchising of whether an agreement regarding the aforesaid rescission and restitution or settlement has been made, and the details thereof;

(5) That the Division of Securities and Retail Franchising submit to the Commission a written report describing the status of the restitution/settlement matter as soon as practicable, but no later than twenty-one (21) days after the termination of the six month period; and,

(6) That the Commission shall retain jurisdiction in this matter for all purposes.

CASE NO. SEC920135
APRIL 5, 1993

APPLICATION OF
STRATEGIC INVESTMENT PARTNERS, INC., ET AL.

For an official interpretation pursuant to Va. Code § 13.1-525

OFFICIAL INTERPRETATION

THIS MATTER came before the Commission for consideration upon the letter-application dated November 24, 1992, with exhibit attached, as supplemented by letters dated February 24 and March 18, 1993, of Strategic Investment Partners, Inc. ("SIP") and Emerging Markets Investors Corporation ("EMI") (collectively, "Applicants") filed under Va. Code § 13.1-525 by their counsel and upon payment of the requisite fee. The application requests a determination that SIP and EMI are not within the intent of the definition of "investment advisor" set forth in Va. Code § 13.1-501 and, consequently, are excluded from the registration and other provisions of the Securities Act (Va. Code §§ 13.1-501 - 13.1-527.3).

The pertinent information contained in the application is summarized as follows: In 1987, six individuals started an investment advisory business. For business reasons, they created the above-referenced entities, in addition to others, to service their clients. SIP is a Delaware corporation whose only shareholders are the foregoing six individuals. EMI is a Delaware corporation whose shareholders are identical to those of SIP. Applicants are registered as investment advisors under the federal Investment Advisers Act of 1940. SIP and EMI each have one client – the pension fund of the World Bank (an account presently in excess of $3.5 billion) and The Emerging Markets Investors Fund, a Canadian investment company (an account presently in excess of $270 million, U.S.), respectively. Neither entity will enter into advisory contracts with any additional clients. Since their formation, Applicants have been located in the District of Columbia, and they are now contemplating relocating to Northern Virginia.

Applicants assert that they are within the scope of the Commission's Securities Act Rule 1300. This Rule excludes from the definition of "investment advisor" any person whose only client(s) in Virginia is one or more of the entities enumerated in the Rule. Two of the entities enumerated in the Rule are an investment company as defined in the Investment Company Act of 1940 and an employee benefit plan having assets of $5 million or more (Paragraphs A and E of Rule 1300). In view of the representations made in the application, the Commission agrees with the assertion that SIP is subject to the exclusion of Rule 1300 E, but disagrees with the contention that EMI is within the scope of Rule 1300 A. Because it has made no public offering of its securities and has fewer than 100 beneficial owners, EMI appears to be excluded from the federal definition of "investment company" by § 3(c)(1) of the Investment Company Act of 1940. However, given the nature of EMI's sole client and the representation that its client base will not increase, it is apparent that EMI is outside the intent of the Virginia Act.

THE COMMISSION, based upon the information and representations submitted and for the reasons given, is of the opinion and finds that the determination requested should be granted. It is, therefore,

ORDERED that Strategic Investment Partners, Inc. and Emerging Markets Investors Corporation be, and they hereby are, excluded from the definition of "investment advisor" as set forth in Va. Code § 13.1-501 (Cum. Supp. 1992) so long as their only clients during the period they transact investment advisory business in and from this Commonwealth are, respectively, the pension fund of the World Bank and The Emerging Markets Investors Fund, or entities specified in the Commission's Securities Act Rule 1300 as now in effect or subsequently amended.

CASE NO. SEC930005
JANUARY 30, 1993

APPLICATION OF
BENEDICTINE HEALTH SYSTEM OBLIGATED GROUP (BENEDICTINE HEALTH SYSTEM, ST. MARY'S MEDICAL CENTER, ST. JOSEPH'S MEDICAL CENTER, ST. MARY'S REGIONAL HEALTH CENTER, ST. FRANCIS REGIONAL MEDICAL CENTER, BENEDICTINE HEALTH CENTER AND NAT G. POLINSKY MEMORIAL REHABILITATION CENTER, INC.)

For an Order of Exemption pursuant to § 13.1-514.1.B of the Code of Virginia

ORDER OF EXEMPTION

THIS MATTER came on for consideration upon written application, with exhibits attached thereto, by counsel to the underwriters, Ziegler Securities and Goldman, Sachs & Co., dated December 23, 1992, requesting a determination that a guarantee to be issued by the Benedictine Health System Obligated Group (the "Obligated Group") as part of a bond offering by certain political subdivisions of the State of Minnesota be exempted from the securities registration requirements of the Securities Act (Code of Virginia (1950), Title 13.1, Chapter 5) pursuant to Virginia Code § 13.1-514.1.B.

BASED ON THE INFORMATION submitted, the following facts, in addition to others not enumerated herein, appear to exist: All members of the Obligated Group are organized and operated not for private profit but exclusively for religious, educational, benevolent or charitable purposes. The Obligated Group intends to offer and sell as a part of the Duluth Economic Development Authority Health Care

Facilities Refunding Revenue Bonds (Benedictine Health System - St. Mary's Medical Center), Series 1993A, 1993B and 1993C, the City of Brainerd, Minnesota Health Care Facilities Refunding Revenue Bonds (Benedictine Health System - St. Joseph's Medical Center), Series 1993D, 1993E and 1993F, and the City of Detroit Lakes, Minnesota Health Care Facilities Refunding Revenue Bonds (Benedictine Health System -St. Mary's Regional Health Center), Series 1993G, a security, to wit: the guaranteed payment of principal, premium, if any, and interest on the bonds described herein pursuant to a Master Trust Indenture dated as of October 1, 1985 as supplemented and amended by a Supplemental Indenture dated as of January 15, 1993.

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 the securities described above are exempt from the securities registration requirements of the Securities Act pursuant to the provisions of Virginia Code § 13.1-514.1.B and shall be offered or sold in Virginia only by broker-dealers which are so registered under the Securities Act.

CASE NO. SEC930007
APRIL 5, 1993

APPLICATION OF
STRATEGIC INVESTMENT MANAGEMENT, ET AL.

For an official interpretation pursuant to Va. Code § 13.1-525

OFFICIAL INTERPRETATION

THIS MATTER came before the Commission for consideration upon the letter-application dated November 24, 1992, with exhibit attached, as supplemented by letters dated February 24 and March 18, 1993, of Strategic Investment Management ("SIM"), Strategic Investment Management International ("SIMI"), and Emerging Markets Management ("EMM") (collectively, "Applicants") filed under Va. Code § 13.1-525 by their counsel and upon payment of the requisite fee. The application requests a determination that SIM and SIMI are not within the intent of the definition of "investment advisor" set forth in Va. Code § 13.1-501 and, consequently, are excluded from the registration and other provisions of the Securities Act (Va. Code §§ 13.1-501 - 13.1-527.3). Of especial concern to Applicants is the statutory prohibition against an individual being employed as an investment advisor representative by more than one investment advisor (Va. Code § 13.1-504 C).

The pertinent information contained in the application is summarized as follows: In 1987, six individuals started an investment advisory business. For business reasons, they created five separate, but affiliated entities, including Applicants, to service their clients. SIM, SIMI and EMM are general partnerships ultimately subject to common control and management by the six individuals. Applicants are registered as investment advisors under the federal Investment Advisers Act of 1940. The clientele of each of the Applicants is limited to large, sophisticated U.S. and non-U.S. institutional or trust investors with accounts of not less than $15 million each. The six individuals, referred to as the Management Group in the application, operate their advisory business in an integrated manner. For example, while certain members of the Management Group have more expertise in rendering advice about particular investments in emerging world markets than about appropriate portfolio asset allocations (i.e., "strategic" services), these members are also active in the strategic services component of the business. In contracting with any one of Applicants for investment advisory services, clients are informed of the organizational structure of Applicants and of the decision-by-committee approach utilized by the Management Group. The partnerships presently have between three and fifteen clients each. Since its formation, the Management Group has been located in the District of Columbia. It is now contemplating relocating to Northern Virginia.

Applicants assert that, because of the unified manner in which the Management Group operates, the partnerships should be treated as one entity (thus, excluding two of the partnerships from the definition of "investment advisor") and only that entity should be required to register under the Act as an investment advisor (the Management Group has opted to submit an application for registration for EMM). The advantage to Applicants of this arrangement is that the individuals of the Management Group will be able to register as investment advisor representatives of just that investment advisor, thus avoiding the dilemma created by the prohibition in § 13.1-504 C against an investment advisor representative being employed by more than one investment advisor.

The difficulty with accepting Applicants' argument arises from the facts that each partnership is a separate entity with separate and distinct clients. Thus, permitting just one partnership to register would ignore the existence of the other two entities and would leave the existing and future clients, regardless of their wealth and sophistication, of the other two partnerships (and possibly others formed in the future) without the benefits and protections afforded by the Act. In light of Applicants' intention to operate in and from Virginia, this result is not justified.

In anticipation of the possibility that the Commission would determine that Applicants are not excluded from the definition of investment advisor, they have requested an alternative form of relief. Applicants have presented facts, undertakings and argument supporting a conclusion that the individuals comprising the Management Group should not be deemed employed by more than one investment advisor. The essence of this position is that, for purposes of the prohibition in § 13.1-504 C, Applicants should be considered a single investment advisor because of the common control and ownership of Applicants, as well as the integrated manner in which the business is operated. In addition, Applicants have offered to provide the Commission undertakings designed to afford client protection by, among other things, assuring (i) that there will be adequate supervision of the individuals and responsibility for their investment advisory activities, (ii) each individual will successfully complete the Series 65 Uniform Investment Adviser Law Examination, and (iii) that the Division, upon request, will have access to the books and records of Applicants and of any affiliated investment advisory entities.

During the process of adopting the rules pertaining to the regulation of the investment advisory business in Virginia, the Commission received several comments from the industry about potential practical problems caused by the prohibition against multiple employment of investment advisor representatives. As stated in the Commission's Order Adopting Rules, these concerns were left to "be resolved on a case-by-case basis," Commonwealth of Va., ex rel. State Corp. Comm'n. Ex Parte, in re: Promulgation of rules and forms, Case No. SEC870040 (July 2, 1987), 1987 SCC Ann. Rep. 330 (1987).

Upon consideration of the case at hand, the Commission finds merit to Applicants' alternative position and determines that the members of the Management Group will not be deemed employed by more than one investment advisor so long as the following conditions are present: (i) common ownership and control of Applicants and their investment advisory affiliates, (ii) adequate supervision of and responsibility for investment advisory activities of the Management Group members, (iii) ready access to the records of Applicants and investment advisory affiliates by the Division, (iv) investment advisor registration under the Securities Act of each Applicant (and affiliate, if appropriate), and (v) each member of the Management Group is registered under the Securities Act as an investment advisor representative on behalf of each Applicant (and registered affiliate).

THE COMMISSION, based upon the information and representations submitted and for the reasons given, is of the opinion and finds that the determination requested should be denied but that the alternative relief should be granted. It is, therefore,

ORDERED that Strategic Investment Management and Strategic Investment Management International are not excluded from the definition of "investment advisor" set forth in Va. Code § 13.1-501 (Cum. Supp. 1992); and, further, that so long as the conditions described herein are met, the aforesaid individuals shall not be deemed employed by more than one investment advisor for purposes of Va. Code § 13.1-504 C.

CASE NO. SEC930008
FEBRUARY 8, 1993

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
SALOMON BROTHERS INC.,
Defendant

ORDER OF SETTLEMENT

The Commission's Division of Securities and Retail Franchising has instituted an investigation of Salomon Brothers Inc. pursuant to Virginia Code Section 13.1-518. As a result of its investigation, the Division alleges:

(1) That Salomon Brothers Inc. (hereinafter "Salomon"), Seven World Trade Center, New York, New York 10048, is a broker-dealer so registered under the Virginia Securities Act (Va. Code §§ 13.1-501 - 13.1-527.3) and has been so registered since May 11, 1981;

(2) That Salomon is the subject of a final judgment of permanent injunction entered on may 20, 1992, by the United States District Court for the Southern District of New York in Securities and Exchange Commission v. Salomon Inc. and Salomon Brothers Inc., 92 Civ. 3691 (RPP) (SDNY) (hereinafter the "SEC Injunction"), and an Order Instituting Proceedings Pursuant to Section 15(b) of the Securities Exchange Act of 1934, Making Findings, and Imposing Remedial Sanctions (hereinafter the "SEC Order") entered on the same day by the U.S. Securities and Exchange Commission (the "SEC"), Securities Exchange Act of 1934 Release No. 30721, with both the SEC Injunction and the SEC Order entered in connection with activities described in the Complaint in the SEC Injunction (hereinafter the "SEC Complaint") and the text of the SEC Order (collectively, hereinafter the "Treasury Auction Matter");

(3) That the SEC Injunction, the SEC Order and certain of the activities alleged in the SEC Complaint in connection with the Treasury Auction Matter constitute potential grounds for the institution of a broker-dealer registration revocation proceeding against Salomon pursuant to Va. Code § 13.1-506;

(4) That said investigation was conducted as part of a multi-state coordinated review of the Treasury Auction Matter;

(5) That Salomon has cooperated to an extraordinary degree with state officials conducting the multi-state coordinated review by responding promptly and candidly to inquiries, providing voluminous documentary evidence and other materials, and making its personnel available for interview without restriction, all in the interest of expediting the investigatory process and providing the states access to all relevant facts relating to the Treasury Auction Matter;

(6) That Salomon has terminated the employment of those persons responsible for the alleged Treasury Auction Matter violations, and the employment of its former Chairman of the Board, the President, and the Chief Legal Officer was promptly terminated, and Salomon has installed an entirely new slate of senior management which has communicated to all Salomon employees the importance of adherence to strict standards of ethical business conduct;

(7) That Salomon has taken other far-reaching corrective actions, including appointment of a special Compliance Committee of the Board of Directors of its parent, Salomon Inc., and development of new broker-dealer supervisory procedures designed to prevent and detect future violations;

(8) That Salomon has entered into a comprehensive settlement with the SEC and other federal authorities pursuant to which Salomon agreed to the entry of the SEC Injunction and the SEC Order in which the SEC censured Salomon for its actions in connection with the Treasury Auction Matter and ordered it to submit a written report to the SEC identifying its policies and procedures reasonably designed to prevent recurrence of violations of the type alleged to have occurred with respect to the Treasury Auction Matter; and,

(9) That, in connection with the SEC settlement described above, Salomon has established a $100 million claims fund, administered under federal court order, to provide compensatory damages to persons, if any, injured by Salomon's conduct in the Treasury Auction Matter.

Salomon neither admits nor denies that any of the allegations of violative conduct are true, 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, Salomon has offered:

(A) Pursuant to Va. Code § 13.1-521, to pay a penalty to the Commonwealth in the amount of forty-nine thousand four hundred dollars ($49,400), which will be tendered contemporaneously with the entry of this order; and,

(B) Pursuant to Va. Code § 13.1-518, to pay to the Commission the sum of six hundred dollars ($600) as reimbursement for the costs of the Division's investigation.

The Division has recommended that Salomon's offer of settlement be accepted pursuant to the authority granted to the Commission in Va. Code § 12.1-15.

NOW, THEREFORE, IT IS ORDERED:

(1) That, pursuant to the authority granted to the Commission in Va. Code § 12.1-15, Salomon's offer of settlement is accepted;

(2) That pursuant to Va. Code § 13.1-521, Salomon pay a penalty to the Commonwealth in the amount of forty-nine thousand four hundred dollars ($49,400) and the Commonwealth recover of and from Defendant said amount;

(3) That pursuant to Va. Code § 13.1-518, Salomon pay to the Commission the amount of six hundred dollars ($600) for the cost of the Division's investigation;

(4) That the sum of fifty thousand dollars ($50,000) tendered by Salomon contemporaneously with the entry of this order is accepted; and,

(5) That this case is dismissed and the papers herein be placed in the file for ended causes.

CASE NO. SEC930009
FEBRUARY 10, 1993

APPLICATION OF
ZEIGLER SECURITIES

For an official interpretation pursuant to Va. Code § 13.1-525

OFFICIAL INTERPRETATION

THIS MATTER came before the Commission for consideration upon the letter-application of Zeigler Securities ("Applicant") filed under Va. Code § 13.1-525 by its counsel and upon payment of the requisite fee. The application requests a determination that the securities described below are exempted from the securities registration requirements of the Securities Act pursuant to Va. Code § 13.1-514 A 1. The pertinent information contained in the application is summarized as follows:

Applicant is the proposed underwriter of County of Riverside, California Refunding Certificates of Participation, Series 1992A and Series 1992B (Air Force Village West, Inc. Project) in the aggregate principal amount of $64,275,000 ("Certificates"). Each Certificate evidences an undivided proportionate interest of the owner thereof in certain installment payments to be made by the County of Riverside, California to Air Force Village West, Inc. ("Corporation"), a California nonprofit public benefit corporation, pursuant to an installment purchase agreement by and between the County and the Corporation. First Trust of California, National Association, will be the Trustee for the benefit of the Certificate holders and will perform primarily ministerial functions, which include executing and delivering the Certificates, receiving an assignment from the Corporation of its rights to receive installment payments, and establishing and maintaining a reserve fund in an amount equal to the maximum annual debt service on the outstanding Certificates. The County's obligations to make installment payments are limited obligations of the County and are payable solely from purchase payments and other moneys received by the County pursuant to an installment sale agreement by and between the County and the Corporation. The County's reliance on payments from the Corporation to fund its obligations distinguishes this matter from similar exemption requests granted in the past (see, e.g., Application of First Union Securities, Inc., Case No. SEC920022, Mar. 11, 1992, and Application of First Chicago Capital Markets, Inc., Case No. SEC920023, Mar. 18, 1992).

It appears that, technically, the Trustee will issue the Certificates; however, in terms of economic reality, the Corporation will be the issuer of the securities. Therefore, the Commission, based on the information submitted by Applicant, is of the opinion and finds that the Certificates are not securities "issued . . . by . . . [a] political subdivision of a state . . . of the [United States]," Va. Code § 13.1-514 A 1; accordingly, it is

ORDERED that the securities heretofore described are not exempted from the securities registration requirements of the Securities Act pursuant to Va. Code § 13.1-514 A 1.

CASE NO. SEC930010
MARCH 15, 1993

APPLICATION OF
MOUNT VERNON 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 November 6, 1992, with exhibits attached thereto, as subsequently amended, of Mount Vernon Baptist Church ("Mount Vernon"), requesting that certain First Deed of Trust Bonds be exempted from the securities registration requirements of the Securities Act (Code of Virginia (1950), Title 13.1, Chapter 5) and that certain members of Mount Vernon 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: Mount Vernon is an unincorporated Virginia organization operating not for private profit but exclusively for religious purposes; Mount Vernon intends to offer and sell First Deed of Trust Bonds in an approximate aggregate amount of $200,000 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 Mount Vernon 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 Mount Vernon 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. SEC930011
MARCH 19, 1993

APPLICATION OF
MOUNT VERNON 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 November 6, 1992, with exhibits attached thereto, as subsequently amended, of Mount Vernon Baptist Church ("Mount Vernon"), requesting that certain First Deed of Trust Bonds be exempted from the securities registration requirements of the Securities Act (Code of Virginia (1950), Title 13.1, Chapter 5) and that certain members of Mount Vernon 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: Mount Vernon is an unincorporated Virginia organization operating not for private profit but exclusively for religious purposes; Mount Vernon intends to offer and sell First Deed of Trust Bonds in an approximate aggregate amount of $200,000 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 sale committee composed of members of Mount Vernon 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 Mount Vernon 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. SEC930012
MARCH 4, 1993

APPLICATION OF
SISTERS OF PROVIDENCE OBLIGATED GROUP
(SISTERS OF PROVIDENCE IN WASHINGTON,
SISTERS OF PROVIDENCE IN OREGON AND
SISTERS OF PROVIDENCE IN CALIFORNIA)

For an Order of Exemption pursuant to § 13.1-514.1.B of the Code of Virginia

ORDER OF EXEMPTION

THIS MATTER came on for consideration upon written application, with exhibits attached thereto, by counsel to the underwriters, The First Boston Corporation and Ziegler Securities, dated February 10, 1993, requesting a determination that certain notes to be issued by the Sisters of Providence Obligated Group (the "Obligated Group") be exempted from the securities registration requirements of the Securities Act (Code of Virginia (1950), Title 13.1, Chapter 5) pursuant to Virginia Code § 13.1-514.1.B.

BASED ON THE INFORMATION submitted, the following facts, in addition to others not enumerated herein, appear to exist: All members of the Obligated Group are organized and operated not for private profit but exclusively for religious, educational and charitable purposes. The Obligated Group intends to issue Direct Obligation Refunding Notes, Series 1993 in an approximate aggregate amount of thirty-two million dollars ($32,000,000) subject to conditions which are more fully described in the Preliminary Prospectus submitted with the written application.

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 the securities described above are exempt from the securities registration requirements of the Securities Act pursuant to the provisions of Virginia Code § 13.1-514.1.B and shall be offered or sold in Virginia only by broker-dealers which are so registered under the Securities Act.

CASE NO. SEC930014
OCTOBER 28, 1993

PETITION OF
SHANNON AKIRA HAYASHI,
Petitioner

ORDER

In February 1993, the Petitioner, Shannon Akira Hayashi, pro se, filed a letter-petition requesting the Commission to dissolve the permanent injunction it issued against him by order dated January 22, 1990, Case No. SEC890088, pursuant to the Securities Act. The Division of Securities and Retail Franchising filed a Response to the petition and, in accord with the Commission's order dated March 22, 1993, Petitioner filed a Verified Reply to the Response of the Division. On July 12, 1993, the Division responded to the Verified Reply, to which a Reply was submitted by Petitioner, as permitted by order of July 19, 1993.

The Commission, based upon its review and consideration of the pleadings filed herein as well as the record developed in Case No. SEC890088, is of the opinion and finds:

(A) That in several transactions which took place during April and May 1987, Hayashi offered and sold in this Commonwealth securities for which a Virginia resident, Mr. Bojowani, paid a total of $17,646.25, to wit:

Date	Number	Security	Cost
4/07/87	5,000	Alpha Solarco/Selectric Units	$ 3,500.00
4/10/87	2,500	Alpha Solarco/Selectric Units	$ 1,750.00
5/01/87	15,700	Alpha Solarco/Selectric Units	$10,990.00
5/19/87	500	Alpha Solarco Common Shares	$ 1,406.25
			$17,646.25

(B) That Hayashi's activities violated §§ 13.1-504 and 13.1-507 of the Securities Act, for which he was permanently enjoined and penalized $40,000 by order dated January 22, 1990;

(C) That in his Verified Reply filed on April 19, 1993, Hayashi asked, among other things, that the penalty be vacated and that he be afforded an opportunity to make restitution of any losses caused by his activities in Virginia;

(D) That Hayashi should be given a reasonable opportunity to offer to rescind the sales and to make restitution, as contemplated by the Act, to the Virginia purchaser, as follows: within thirty (30) days from the date of this Order, Hayashi must submit to the Division for its review and comment a draft of a written offer to Bojowani providing for (i) rescission of the sales of the securities described in paragraph (A), above; (ii) the refund of the full amount of consideration paid by Bojowani - $17,646.25 - together with interest thereon at an annual rate of six percent through

October 31, 1993 - $6,819.96 - upon Bojowani's tender of the securities; (iii) a thirty (30) day period from the date of receipt of the offer for Bojowani to either accept or reject the offer; and, (iv) the payment of the amount of restitution - $24,466.21 - within forty five (45) days from the date Bojowani's acceptance of the offer is received by Hayashi;

(E) That evidence of compliance with the provisions of paragraph (D), above, must be filed with the Division by Hayashi within seven (7) days from the date payment is remitted to Bojowani 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 Hayashi which will contain the following information: (i) the date on which Bojowani received the offer of rescission; (ii) the date and nature of Bojowani's response to the offer; (iii) if applicable, the date on which payment was remitted to Bojowani; and, (iv) if applicable, the amount of payment remitted to Bojowani; and

(F) That if the terms set forth in paragraphs (D) and (E), above, are met, then the permanent injunction will be dissolved and the Commission will accept the sum of $2,000 as a compromise and settlement of the penalty outstanding against Petitioner.

Accordingly,

IT IS ORDERED:

(1) That within fourteen (14) days from the date hereof, Hayashi notify the Commission in writing with respect to his intention of complying with the rescission and restitution provisions of this Order; and

(2) That the Commission shall retain jurisdiction in this matter for all purposes.

CASE NO. SEC930015
MAY 12, 1993

APPLICATION OF
PRINCE GEORGE COUNTY FARM BUREAU, INC.
(A NON-STOCK, NON-PROFIT VIRGINIA CORPORATION)

For an Order of Exemption pursuant to § 13.1-514.1.B of the Code of Virginia (1950)

ORDER OF EXEMPTION

THIS MATTER came on for consideration upon written application dated February 1, 1993, with exhibits attached thereto, of Prince George County Farm Bureau, Inc. ("Prince"), requesting that the securities that Prince proposes to issue be exempt from the securities registration requirements of the Securities Act (Code of Virginia (1950), Title 13.1, Chapter 5) and that Prince's officers and directors 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: Prince is a not-for-profit corporation organized under the laws of the Commonwealth of Virginia to advance and improve certain state and national level agricultural organizations in the development of an abundant, just and efficient economy and to cooperate with other rural institutions in the establishment of better economic, social, educational and spiritual conditions; Prince intends to offer and sell Debenture Bonds maturing on July 1, 2013, bearing an interest rate of 6.5% per annum in denominations of one hundred dollars ($100.00) or multiples thereof and in the aggregate amount of one hundred twenty five thousand dollars ($125,000.00); and said securities are to be offered and sold by Prince's officers and directors who will not be compensated for their sales efforts.

THE COMMISSION, based on the facts asserted by Prince in the written application and exhibits, is of the opinion and does hereby ADJUDGE AND ORDER that, pursuant to the provisions of Code Section 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 officers and directors of Prince be, and they hereby are, exempted from the agent registration requirements of said Act.

CASE NO. SEC930016
MARCH 11, 1993

APPLICATION OF
COLONIAL HEIGHTS BAPTIST CHURCH OF COLONIAL HEIGHTS, 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 February 22, 1993, with exhibits attached thereto, as subsequently amended, of Colonial Heights Baptist Church of Colonial Heights, Virginia ("Colonial"), requesting that certain First Deed of Trust Bonds be exempted from the securities registration requirements of the Securities Act (Code of Virginia (1950), Title 13.1, Chapter 5) and that certain members of Colonial 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: Colonial is an unincorporated Virginia organization operating not for private profit but exclusively for religious purposes; Colonial intends to offer and sell First Deed of Trust Bonds in an approximate aggregate amount of $1,800,000.00 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 Colonial 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 Colonial 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. SEC930020
APRIL 1, 1993

APPLICATION OF
LANDMARK 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 November 19, 1992, with exhibits attached thereto, as subsequently amended, of Landmark Baptist Church ("Landmark"), requesting that certain First Deed of Trust Bonds be exempted from the securities registration requirements of the Securities Act (Code of Virginia (1950), Title 13.1, Chapter 5) and that certain members of Landmark 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: Landmark is an unincorporated Virginia organization operating not for private profit but exclusively for religious purposes; Landmark intends to offer and sell First Deed of Trust Bonds in an approximate aggregate amount of $150,000 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 Landmark 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 Landmark 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. SEC930021
APRIL 6, 1993

APPLICATION OF
SOUTHSIDE 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 February 9, 1993, with exhibits attached thereto, as subsequently amended, of Southside Baptist Church ("Southside"), requesting that certain First Deed of Trust Bonds be exempted from the securities registration requirements of the Securities Act (Code of Virginia (1950), Title 13.1, Chapter 5) and that certain members of Southside 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: Southside is an unincorporated Virginia organization operating not for private profit but exclusively for religious, educational and charitable purposes; Southside intends to offer and sell First Deed of Trust 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; said securities are to be offered and sold by a bond committee composed of members of Southside 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 Southside 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 committee be, and they hereby are, exempted from the agent registration requirements of said Act.

CASE NO. SEC930022
APRIL 6, 1993

APPLICATION OF
MT. VERNON COUNTRY CLUB, 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 November 9, 1992, with exhibits attached thereto, as subsequently amended, of Mt. Vernon Country Club, Inc. ("Mt. Vernon"), requesting that certain Shares of Common Stock be exempted from the securities registration requirements of the Securities Act (Code of Virginia (1950), Title 13.1, Chapter 5) and that certain members of Mt. Vernon 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: Mt. Vernon is a Virginia stock corporation operating not for private profit but exclusively for social and athletic purposes; Mt. Vernon intends to offer and sell from time to time Common Stock in a sufficient amount to facilitate Mt. Vernon's ongoing membership program on terms and conditions as more fully described in the Disclosure Documents filed as a part of the application; the total amount of common stock presently authorized to be outstanding at any one time is 950 shares; said a membership committee composed of members of Mt. Vernon who will not be compensated for their sales efforts.

THE COMMISSION, based on the facts asserted by Mt. Vernon 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 membership committee be, and they hereby are, exempted from the agent registration requirements of said Act.

CASE NO. SEC930023
APRIL 12, 1993

APPLICATION OF
MOUNT LEBANON BAPTIST CHURCH OF NORFOLK, 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 November 6, 1992, with exhibits attached thereto, as subsequently amended, of Mount Lebanon Baptist Church of Norfolk, Virginia ("Mount Lebanon"), requesting that certain First Deed of Trust Bonds be exempted from the securities registration requirements of the Securities Act (Code of Virginia (1950), Title 13.1, Chapter 5) and that certain members of Mount Lebanon 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: Mount Lebanon is an unincorporated Virginia organization operating not for private profit but exclusively for religious purposes; Mount Lebanon intends to offer and sell First Deed of Trust Bonds in an approximate aggregate amount of $625,000 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 Mount Lebanon 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 Mount Lebanon 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. SEC930024
AUGUST 2, 1993

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
DELTA NATIONAL PRODUCTS, INC.,
Defendant

DISMISSAL ORDER

ON A FORMER DAY the Hearing Examiner assigned to hear this case reported to the Commission that, in connection with the transactions involving the sale of Defendant's securities which gave rise to this proceeding, recission and restitution have been offered and made to the purchasers in accordance with Virginia Code § 13.1-522; and the Hearing Examiner recommended that this order be entered. Upon consideration thereof,

IT IS ORDERED that this case is dismissed, and that the papers herein be placed among the ended causes.

CASE NO. SEC930025
AUGUST 2, 1993

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
WILLIS C. HARRIS,
Defendant

INJUNCTION AND DISMISSAL ORDER

ON A FORMER DAY the Hearing Examiner assigned to hear this case reported to the Commission that, in connection with the securities sales transactions which gave rise to this proceeding, the Defendant has offered and made recission and restitution to the purchasers in accordance with Virginia Code § 13.1-522; and the Hearing Examiner recommended that this order be entered. Upon consideration thereof,

IT IS ORDERED that the Defendant is hereby enjoined and restrained from violating the provisions of the Virginia Securities Act, Virginia Code §§ 13.1-501 et seq.; and

IT IS ORDERED that this case is dropped from the docket, and that the papers herein be placed among the ended causes.

CASE NO. SEC930028
MAY 24, 1993

APPLICATION OF
NATIONAL COVENANT PROPERTIES
(A NOT-FOR-PROFIT ILLINOIS CORPORATION)

For an Order of Exemption pursuant to § 13.1-514.1.B of the Code of Virginia (1950)

ORDER OF EXEMPTION

THIS MATTER came on for consideration upon written application dated March 1, 1993, with exhibits attached thereto, of National Covenant Properties ("NCP"), requesting that the securities that NCP proposes to issue be exempted from the securities registration requirements of the Securities Act (Code of Virginia (1950), Title 13.1, Chapter 5) and that NCP's officers be exempted from the agent registration requirement of said Act.

BASED UPON THE INFORMATION submitted, the following facts, in addition to others not enumerated herein, appear to exist: NCP is a not-for-profit corporation organized under the laws of the State of Illinois for religious and benevolent purposes; NCP intends to offer and sell 5-Year Fixed Rate Renewable Certificates (Series A), 30-Day Certificates (Series G) and Individual Retirement Account Certificates in an approximate aggregate amount of $18,000,000 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 NCP's officers who will not be compensated for their sales efforts.

THE COMMISSION, based on facts asserted by NCP in the written application and exhibits, is of the opinion 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 officers of NCP be, and they hereby are, exempted from the agent registration requirements of said Act.

CASE NO. SEC930029
MAY 7, 1993

APPLICATION OF
CROSSROADS 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 March 5, 1993, with exhibits attached thereto, as subsequently amended, of Crossroads Baptist Church ("Crossroads"), requesting that certain First Deed of Trust Bonds be exempted from the securities registration requirements of the Securities Act (Code of Virginia (1950), Title 13.1, Chapter 5) and that certain members of Crossroads 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: Crossroads is an unincorporated Virginia organization operating not for private profit but exclusively for religious purposes; Crossroads intends to offer and sell First Deed of Trust Bonds in an approximate aggregate amount of $700,000 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 Crossroads 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 Crossroads 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. SEC930033
MAY 17, 1993

APPLICATION OF
COLUMBIA UNION REVOLVING FUND

For an Order of Exemption pursuant to § 13.1-514.1.B of the Code of Virginia

ORDER OF EXEMPTION

THIS MATTER came on for consideration upon written application, with exhibits attached thereto, of the Columbia Union Revolving Fund ("Columbia"), dated April 30, 1993, requesting that certain notes be exempted from the securities registration requirements of the Securities Act (Code of Virginia (1950), Title 13.1, Chapter 5) pursuant to Virginia Code § 13.1-514.1.B.

BASED ON THE INFORMATION submitted, the following facts in addition to others not enumerated herein, appear to exist: Columbia is a nonprofit organization organized and operated exclusively for religious, charitable, scientific, literary and educational purposes. Columbia intends to issue 90-Day Demand Promissory Notes in the aggregate amount of thirty-seven million dollars ($37,000,000) subject to conditions which are more fully described in the Offering Memorandum submitted with the written application.

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 the securities described above are exempt from the securities registration requirements of the Securities Act pursuant to the provisions of Virginia Code § 13.1-514.1.B and shall be offered or sold in Virginia only by broker-dealers or agents who are so registered under the Securities Act.

CASE NO. SEC930034
AUGUST 18, 1993

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
V.
SHEARSON LEHMAN BROTHERS, INC.,
Defendant

ORDER ACCEPTING OFFER OF SETTLEMENT

The Commission's Division of Securities and Retail Franchising has instituted an investigation of Defendant, Shearson Lehman Brothers, 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, has, in violation of Rule 305 A.6 as promulgated under the Act:

Executed a transaction or transactions in a margin account without securing from the customer a properly executed margin agreement promptly after the initial transaction in the account.

Defendant 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, Defendant has proposed and agrees to comply with the following terms and undertakings:

1. Defendant will comply with Rule 305 A.6 of the Commission's Rules promulgated under the Virginia Securities Act.

2. Defendant will reimburse the Virginia investor, Robert Lepelletier, for all margin interest paid by him to Shearson Lehman Brothers, Inc. and/or charged to his investment account as a result of the trades executed on margin in violation of Rule 305 A.6 of the Commission's Rules.

3. Pursuant to Virginia Code § 13.1-521, Defendant will pay a penalty to the Commonwealth in the amount of five thousand dollars ($5,000.00), which will be tendered contemporaneously with the entry of this order.

4. Pursuant to Virginia Code § 13.1-518, Defendant will pay to the Commission the sum of one thousand dollars ($1,000.00) as reimbursement for the costs of the Division's investigation.

The Division has recommended that Defendant's offer of settlement be accepted pursuant to the authority granted to the Commission in Virginia Code § 12.1-15.

NOW, THEREFORE, IT IS ORDERED:

(1) That, pursuant to the authority granted to the Commission in Virginia Code § 12.1-15, Defendant's offer of settlement is accepted;

(2) That Defendant fully comply with the aforesaid terms and undertakings of the settlement;

(3) That for purposes of the Virginia Securities Act and the rules adopted thereunder, nothing herein shall be deemed to be an injunction, order, judgment, or decree which would create any disqualification on the part of Shearson Lehman Brothers, Inc. or any of its affiliates or to preclude their use of any exemption from registration available to them.

(4) That pursuant to Virginia Code § 13.1-521, 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;

(5) That pursuant to Virginia Code § 13.1-518, Defendant shall pay to the Commission to reimburse it for the costs of the investigation, the sum of one thousand dollars ($1,000.00);

(6) That the total sum of six thousand dollars ($6,000.00) tendered by Defendant contemporaneously with the entry of this order is accepted.

CASE NO. SEC930035
MAY 27, 1993

APPLICATION OF
ABUNDANT LIFE CHURCH OF CHRIST

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 22, 1993, with exhibits attached thereto, as subsequently amended, of Abundant Life Church of Christ ("Abundant Life"), requesting that certain First Deed of Trust Bonds be exempted from the securities registration requirements of the Securities Act (Code of Virginia (1950), Title 13.1, Chapter 5) and that certain members of Abundant Life 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: Abundant Life is an unincorporated Virginia organization operating not for private profit but exclusively for religious purposes; Abundant Life intends to offer and sell First Deed of Trust Bonds in an approximate aggregate amount of $900,000 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 Abundant Life 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 Abundant Life 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. SEC930036
MAY 28, 1993

APPLICATION OF
CHIPPENHAM CHURCH OF CHRIST

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 5, 1993, with exhibits attached thereto, as subsequently amended, of Chippenham Church of Christ ("Chippenham"), requesting that certain First Deed of Trust Bonds be exempted from the securities registration requirements of the Securities Act (Code of Virginia (1950), Title 13.1, Chapter 5) and that certain members of Chippenham 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: Chippenham is an unincorporated Virginia organization operating not for private profit but exclusively for religious purposes; Chippenham intends to offer and sell First Deed of Trust Bonds in an approximate aggregate amount of $55,000 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 Chippenham 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 Chippenham 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. SEC930037
AUGUST 5, 1993

RUG RATS, INC.,
Petitioner,
v.
KING INDUSTRIES, INC.,
Respondent.

DISMISSAL ORDER

On May 26, 1993, the Petitioner filed a Petition for Cancellation with the Clerk pursuant to Virginia Code § 59.1-87 seeking cancellation of Respondent's registration of the trademark "Rug Rat." The Petition alleged that the Petitioner had used the trademark "Rug Rats" continuously and since a time prior to Respondent's declared first use of its trademark and, given the similarity of the marks, Respondent's continued use of the registered trademark was likely to cause confusion and mistake. On June 3, 1993, the Commission entered an order setting a hearing, requiring that Respondent file an Answer or other responsive pleading, referring this case to a Hearing Examiner, and directing that said order and a copy of the Petition for Cancellation be served upon the Respondent. No Answer or responsive pleading was filed by the Respondent.

The case came on for hearing before Russell W. Cunningham, Senior Hearing Examiner, on July 27, 1993. At that time Petitioner's counsel represented that all matters in controversy in the case had been settled between the parties. The Hearing Examiner received in evidence documents showing that Respondent's registration of the trademark "Rug Rat" had been canceled by the Commission's Registrar of Trademarks at Respondent's request, and that the Registrar had registered the trademark "Rug Rats" to the Petitioner. The Hearing Examiner then reported to the Commission that all relief requested by the Petitioner in this case had been accomplished, and recommended, upon the Petitioner's motion, that the case be dismissed. Upon consideration thereof,

IT IS ORDERED that this case is dismissed, and that the papers herein be placed among the ended cases.

CASE NO. SEC930038
JULY 23, 1993

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION

Ex Parte, in re: Promulgation of rules pursuant to the Securities Act and Retail Franchising Act

ORDER AMENDING RULES

Pursuant to the Commission's order dated June 8, 1993, the Division of Securities and Retail Franchising of the Commission caused to be published in Vol. 9, Issue 20, p. 3653 (6/28/93) of the Virginia Register notice of proposed changes to Securities Act Rule 503 and Retail Franchising Act Rule S. VRFA 9. Among other things, the notice stated that written comments or requests for a hearing in regard to the proposed changes must be filed by July 15, 1993. No comments or requests for a hearing were filed as of such date.

The Commission, upon consideration of the proposed changes, is of the opinion and finds that they should be adopted as proposed and should become effective as of August 1, 1993; it is, therefore,

ORDERED:

(1) That Securities Act Rule 503 be, and it hereby is, amended as follows: In paragraph A.2, the phrase "Rule 230.262 (a), (b) or (c)" is substituted for the phrase "Rule 230.252 (c), (d), (e) or (f)";

(2) That Retail Franchising Act Rule S.VRFA 9 be, and it hereby is, amended as follows: In paragraph A, "$500" is substituted for "$250"; in paragraph B, "$250" is substituted for "$150"; and, in paragraph C, "$100" is substituted for "$50";

(3) That the foregoing amendments shall become effective on August 1, 1993; and

(4) That this case be, and it hereby is, dismissed and the papers herein be placed in the file for ended causes.

CASE NO. SEC930040
JUNE 4, 1993

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
TRAVELERS EQUITIES SALES, INC.,
Defendant

SETTLEMENT ORDER

The Commission's Division of Securities and Retail Franchising has instituted an investigation of the Defendant, Travelers Equities Sales, Inc., pursuant to Virginia Code § 13.1-518.

As a result of its investigation, the Division alleges that the Defendant, a broker-dealer so registered under the Virginia Securities Act, failed to exercise diligent supervision over the activities of James Hart Puryear, a former registered agent for Travelers Equities Sales, Inc., during the period of July 13, 1987 through December 6, 1991, in violation of the Commission's Virginia Securities Act Rule 303 D.2. The Defendant neither admits nor denies the allegation, but admits the Commission's jurisdiction and authority to enter this Settlement Order.

As a proposal to settle all matters arising from the allegation made against it, the Defendant has offered the following terms and undertakings:

(1) So long as the Defendant is registered under the Virginia Securities Act as a broker-dealer, it will fully comply with Rule 303 D.2 as promulgated under the Virginia Securities Act;

(2) Having made a written offer of rescission to each of those clients who transacted business with James Hart Puryear during the time period described above, the Defendant will file an affidavit with the Division of Securities and Retail Franchising, contemporaneously with the entry of this Settlement Order, which will contain the following information: (i) the date on which each offeree received the offer of rescission; (ii) the date and nature of each offere's response to the offer; (iii) if applicable, the date on which payment was remitted to each offeree and, (iv) if applicable, the amount of payment remitted to each offeree;

(3) Defendant will file with the Division of Securities and Retail Franchising, contemporaneously with the entry of this Settlement Order, its revised written supervisory procedures that will serve to prevent future violations of the Commission's Securities Act Rule 303 D.2.

The Division has recommended that the Defendant's offer of settlement be accepted pursuant to the authority granted to the Commission in Virginia Code § 12.1-15.

NOW, THEREFORE, IT IS ORDERED:

(1) That, pursuant to the authority granted to the Commission in Virginia Code § 12.1-15, the Defendant's offer of settlement is accepted;

(2) That Travelers Equities Sales, Inc. comply with the aforesaid terms and undertakings of the settlement;

(3) That the affidavit described in paragraph (2) above be made a part of this Settlement Order; and

(4) That the papers herein be placed in the file for ended causes.

NOTE: A copy of the Affidavit and Exhibit A entitled "Traveler's Equities Sales, Inc. (TESI) James Puryear - Rescission Reconciliation" 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. SEC930047
JUNE 24, 1993

APPLICATION OF
FIRST PENTECOSTAL HOLINESS 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 April 9, 1993, with exhibits attached thereto, as subsequently amended, of First Pentecostal Holiness Church ("FPHC"), requesting that certain First Deed of Trust Bonds be exempted from the securities registration requirements of the Securities Act (Code of Virginia (1950), Title 13.1, Chapter 5) and that certain members of FPHC 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: FPHC is an unincorporated Virginia organization operating not for private profit but exclusively for religious purposes; FPHC intends to offer and sell First Deed of Trust Bonds in an approximate aggregate amount of $1,200,000 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 FPHC 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 FPHC 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. SEC930049
AUGUST 30, 1993

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
V.
HEIER ADVISORY CORPORATION,
Defendant

SETTLEMENT ORDER AND JUDGMENT

THIS CASE was instituted by Rule To Show Cause issued on June 24, 1993 and served upon the Defendant as required by law. The Defendant has admitted the truth of the allegations contained in Paragraphs (1), (2), (3), (4), (5), and (7) of the Rule To Show Cause, which is attached hereto and made part hereof, has tendered the sum of twenty-five thousand dollars ($25,000) to be applied to the judgment hereby entered and has consented to entry of this order. Accordingly,

IT IS ORDERED:

(1) That the injunctive provisions contained in prior Commission Orders entered against the Defendant shall remain in full force and effect;

(2) That Defendant is penalized in the amount of $47,500, and assessed costs of investigation in the amount of $2,500 and that the Commonwealth and the Commission recover of and from the Defendant said sums with interest at 9% per year from this date until paid, and that Defendant shall pay the balance of said penalty, costs, and interest in one payment within 90 days from the date of this Order;

(3) That this case is continued pending further order of the Commission.

NOTE: A copy of the Rule To Show Cause issued on June 24, 1993 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. SEC930050
AUGUST 30, 1993

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
ROBERT M. HEIER,
Defendant

SETTLEMENT ORDER AND JUDGMENT

THIS CASE was instituted by Rule To Show Cause issued on June 24, 1993 and served upon the Defendant as required by law. The Defendant has admitted the truth of the allegations contained in the Rule To Show Cause, which is attached hereto and made part hereof, has tendered the sum of twenty-five thousand dollars ($25,000) to be applied to the judgment hereby entered and has consented to the entry of this order. Accordingly,

IT IS ORDERED:

(1) That Defendant is penalized in the amount of $47,500,and assessed costs of investigation in the amount of $2,500and that the Commonwealth and the Commission recover of and from the Defendant said sums with interest at 9% per year from this date until paid, and that Defendant shall pay the balance of said penalty, costs and interest in one payment within 90 days from the date of this Order;

(2) That Defendant shall become registered as an investment advisor representative of Heier Advisory Corporation under the Virginia Securities Act within 90 days of the date of this order;

(3) That if Defendant fails to comply with paragraph (2) of this order, he shall promptly withdraw the registration of Heier Advisory Corporation as an investment advisor under the Virginia Securities Act; and

(4) That this case is continued pending further order of the Commission.

NOTE: A copy of the Rule To Show Cause issued on June 24, 1993, 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. SEC930051
JUNE 24, 1993

APPLICATION OF
THE CHILDREN'S HOSPITAL OF PHILADELPHIA AND
THE CHILDREN'S HOSPITAL FOUNDATION

For an Order of Exemption pursuant to § 13.1-514.1.B of the Code of Virginia

ORDER OF EXEMPTION

THIS MATTER came on for consideration upon written application, with exhibits attached thereto, by counsel to the underwriters, dated June 1, 1993, requesting a determination that a promissory note to be issued by The Children's Hospital of Philadelphia and The Children's Hospital Foundation (the "Obligated Issuers") as part of a bond offering by The Hospitals and Higher Education Facilities Authority of Philadelphia be exempted from the securities registration requirements of the Securities Act (Code of Virginia (1950), Title 13.1, Chapter 5) pursuant to Virginia Code § 13.1-514.1.B.

BASED ON THE INFORMATION submitted, the following facts, in addition to others not enumerated herein, appear to exist: The Obligated Issuers are each organized and operated not for private profit but exclusively for charitable, scientific and educational purposes. The Obligated Issuers intend to issue as a part of The Hospitals and Higher Education Facilities Authority of Philadelphia, Hospital Revenue Refunding Bonds, Series A of 1993 (The Children's Hospital of Philadelphia Project), a security, to wit: a promissory note which evidences and secures the Obligated Issuers' obligation to pay principal and interest on the bonds described herein pursuant to a Master Trust Indenture dated as of July 1, 1988, as further amended and supplemented.

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 the securities described above are exempt from the securities registration requirements of the Securities Act pursuant to the provisions of Virginia Code § 13.1-514.1.B and shall be offered or sold in Virginia only by broker-dealers which are so registered under the Securities Act.

CASE NO. SEC930053
JUNE 24, 1993

APPLICATION OF
BEAR'S HEIL, 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 9, 1993, with exhibits attached thereto, as subsequently amended, of Bear's Heil, Inc., requesting that certain membership interests be exempted from the securities registration requirements of the Securities Act (Code of Virginia (1950), Title 13.1. Chapter 5) and that Mr. Greg Greenwalt a member of the Board of Directors 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: Bear's Heil, Inc. is a West Virginia non-stock corporation operating not for private profit but exclusively for social and recreational purposes; Bear's Heil, Inc. intends to offer and sell from time to time membership interests in a sufficient amount to facilitate Bear's Heil, Inc.'s ongoing membership program on terms and conditions as more fully described in the Private Membership Information filed as a part of the application; the total amount of membership interests presently authorized to be outstanding at any one time is 270; the membership interests will be offered and sold by Mr. Greg Greenwalt, a member of the Board of Directors who will not be compensated for his sales efforts.

THE COMMISSION, based on the facts asserted by Bear's Heil, 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 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 Mr. Greg Greenwalt, a member of the Board of Directors be, and hereby, is exempted from the agent registration requirements of said Act.

CASE NO. SEC930065
JULY 15, 1993

APPLICATION OF
NEW LIFE CHURCH OF HAMPTON

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 19, 1993, with exhibits attached thereto, as subsequently amended, of New Life Church of Hampton ("New Life"), requesting that certain First Deed of Trust Serial Sinking Fund Bonds be exempted from the securities registration requirements of the Securities Act (Code of Virginia (1950), Title 13.1, Chapter 5) and that certain members of New Life 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: New Life is an unincorporated Virginia organization operating not for private profit but exclusively for religious, educational and charitable purposes; New Life intends to offer and sell First Deed of Trust Serial Sinking Fund Bonds in an approximate aggregate amount of $1,650,000 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 New Life 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 New Life 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. SEC930074
NOVEMBER 23, 1993

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

ORDER OF SETTLEMENT

The Commission's Division of Securities and Retail Franchising has instituted an investigation of the Defendant, Brantany Development Corporation, pursuant to Virginia Code Section 13.1-567.

As a result of its investigation, the Division alleges that the Defendant, in violation of Virginia Code Section 13.1-560, offered to grant and granted two franchises for the operation of Pizza Chef Gourmet Pizza Stores in this Commonwealth without such franchises being registered under the Retail Franchising Act. The Defendant neither admits nor denies these allegations, but admits the Commission's jurisdiction and authority to enter this Order of Settlement.

As a result of the Division's investigation, the Defendant voluntarily made offers of rescission and restitution to the franchisees involved in the aforesaid franchises.

As an offer to settle all matters arising from the allegations made against it, the Defendant has proposed and agreed to comply with the following terms and undertakings:

1) That in connection with any future offer or grant of a franchise in this Commonwealth, the Defendant will company with the provisions of the Virginia Retail Franchising Act;

2) That the Defendant will pay the Commonwealth the sum of $5500.00 as a penalty; and

3) That the Defendant will pay the Commission the sum of $1000.00 for reimbursement for the cost of the Division's investigation.

The Division has recommended that the Defendant's offer of settlement be accepted pursuant to the authority granted to the Commission in Virginia Code Section 12.1-15.

NOW, THEREFORE, IT IS ORDERED:

(1) That, pursuant to the authority granted the Commission in Virginia Code Section 12.1-15, the Defendant's offer of settlement is accepted;

(2) That in connection with any future offer or grant of a franchise in the Commonwealth, the Defendant shall comply with the provisions of the Virginia Retail Franchising Act;

(3) That pursuant to Virginia Code § 13.1-570, the Defendant pay to the Commonwealth a penalty in the amount of $5500.00 and that the sum of $5500.00 tendered by the Defendant contemporaneously with the entry of this order be, and it hereby is, accepted;

(4) That pursuant to Virginia Code § 13.1-567, the Defendant pay to the Commission the sum of $1000.00 and that the sum of $1000.00 tendered by the Defendant contemporaneously with the entry of this order be, and it hereby is, accepted; and

(5) That this case is dismissed and the papers herein be placed in the file for ended causes.

CASE NO. SEC930076
OCTOBER 5, 1993

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
INVESTORS SECURITY COMPANY, INC.,
Defendant

FINAL ORDER

BY ORDER entered herein on September 14, 1993 the Commission accepted the offer of settlement made by the Defendant and retained jurisdiction in this matter pending the Defendant's compliance with certain provisions of the offer.

IT NOW APPEARING to the Commission that the Defendant has filed evidence of substantial compliance with the aforesaid provisions, it is, therefore,

ORDERED that all issues raised in this matter concerning the Defendant's alleged violations of the Securities Act Rules of Virginia be, and they hereby are, settled; that all sanctions, conditions and undertakings of a continuing nature set forth in the prior order shall remain in effect in accordance with their terms; that this order, solely by reason of its entry, shall not affect any duty or obligation to disclose the existence or nature of this matter or of any order entered herein; and, that this matter be, and it hereby is, dropped from the docket and the papers herein be placed in the file for ended causes.

CASE NO. SEC930079
JULY 30, 1993

APPLICATION OF
COVENANT CHURCH OF GOD

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 9, 1993, with exhibits attached thereto, as subsequently amended, of Covenant Church of God ("Covenant"), requesting that certain First Deed of Trust Bonds be exempted from the securities registration requirements of the Securities Act (Code of Virginia (1950), Title 13.1, Chapter 5) and that certain members of Covenant 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: Covenant is an unincorporated Virginia organization operating not for private profit but exclusively for religious purposes; Covenant intends to offer and sell First Deed of Trust Bonds in an approximate aggregate amount of $1,160,000 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 Covenant 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 Covenant 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. SEC930080
AUGUST 9, 1993

APPLICATION OF
THE CHRISTIAN BROADCASTING NETWORK, 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 July 16, 1993, with exhibits attached thereto, of The Christian Broadcasting Network, Inc. ("CBN"), requesting that certain gift instruments, known as Charitable Gift Annuities ("CGA's"), be exempted from the securities registration requirements of the Securities Act (Code of Virginia (1950), Title 13.1, Chapter 5) and that certain individuals who solicit donations of CGA's 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: CBN is a Virginia nonstock corporation organized and operated not for private profit but exclusively for religious, educational and charitable purposes; CBN is exempt from federal income tax pursuant to Section 501(c)(3) of the Internal Revenue Code; and, donations of CGA's will be solicited by volunteers or employees of CBN who will not be compensated on the basis of the amount of CGA's obtained.

THE COMMISSION, based on the facts asserted by CBN in the written application and exhibits, is of the opinion and finds, and does hereby ADJUDGE AND ORDER that, pursuant to the provisions of Virginia Code Section 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 CBN's volunteers and employees who solicit on behalf of CBN be, and they hereby are, exempted from the agent registration requirement of said Act.

CASE NO. SEC930083
AUGUST 25, 1993

APPLICATION OF
MONTANA HIGHER EDUCATION STUDENT ASSISTANCE CORPORATION
(A NON-PROFIT MONTANA CORPORATION)

For a Certificate of Exemption pursuant to § 13.1-514.1.B of the Code of Virginia (1950)

ORDER OF EXEMPTION

THIS MATTER came on for consideration upon written application, with exhibits attached thereto, of Montana Higher Education Student Assistance Corporation ("M-CORP") dated August 3, 1993, requesting a determination that certain Student Loan Revenue Bonds be exempted from the securities registration requirements of the Securities Act (Code of Virginia (1950), Title 13.1, Chapter 5).

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 the State of Montana for charitable and educational under the laws of the State of Montana for charitable and educational purposes. M-CORP intends to issue Fixed Rate Student Loan Revenue Bonds, Senior Series 1993-A and Subordinate Series 1993-B in an approximate aggregate amount of two hundred million ($200,000,000) subject to conditions which are more fully described in the Preliminary Prospectus submitted with the written application.

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 the offers and sales of the securities described above are exempt from the securities registration requirements of the Securities Act pursuant to the provisions of Code § 13.1-514.1.B and shall be made in Virginia only by broker-dealers registered in this Commonwealth.

CASE NO. SEC930085
AUGUST 18, 1993

APPLICATION OF
HERMITAGE ROAD CHURCH OF CHRIST

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 15, 1993, with exhibits attached thereto, as subsequently amended, of Hermitage Road Church of Christ ("HRCC"), requesting that certain First Deed of Trust Bonds be exempted from the securities registration requirements of the Securities Act (Code of Virginia (1950), Title 13.1, Chapter 5) and that certain members of HRCC 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: HRCC is an unincorporated Virginia organization operating not for private profit but exclusively for religious purposes; HRCC intends to offer and sell First Deed of Trust Bonds in an approximate aggregate amount of $350,000 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 HRCC 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 HRCC 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. SEC930086
DECEMBER 17, 1993

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
BRUCE E. KIRCHOFF,
Defendant

ORDER AND JUDGMENT

On September 27, 1993, the Commission issued a Rule to Show Cause against the Defendant, Bruce E. Kirchoff, which, among other things, scheduled this case for hearing on December 1, 1993. The Rule was issued at the instance of the Division of Securities and Retail Franchising ("Division") as a consequence of its investigation of this matter pursuant to the Securities Act (Va. Code Ann. §§ 13.1-501 - 13.1-527.3) ("Act"). The Defendant, by counsel, filed an "Answer to Rule to Show Cause," but failed to appear either by counsel or in person at the hearing conducted on December 1, 1993. The Division was represented by Staff counsel.

The Commission, based upon the pleadings as well as the testimony and exhibits of Mrs. Marian G. Ellis, Mrs. Alice M. Payne, Mrs. Mary D. Brown and Commission employees Thomas C. Bayly and Raymond O. Anderson, is of the opinion and finds:

(1) Bruce E. Kirchoff ("Kirchoff"), having failed to appear at the hearing, is in default.

(2) Kirchoff, acting as an agent of K & L Marketing, Inc. ("K & L"), offered and sold in this Commonwealth promissory notes issued by K & L ("Notes").

(3) K & L was incorporated under the Virginia Stock Corporation Act on August 24, 1984; its corporate existence was terminated by operation of law on September 1, 1989.

(4) The offer and sale of the Notes occurred during the period of March 1985 through October 1986 ("relevant period").

(5) During the relevant period, Kirchoff and his wife were directors, officers and controlling persons of K & L.

(6) During the relevant period, Kirchoff sold five Notes to four purchasers, all of whom were residents of the Commonwealth when they purchased the Notes.

(7) The purchasers paid a total amount of $37,500 for the five Notes.

(8) The Notes are securities as defined in Va. Code § 13.1-501.

(9) During the relevant period, the Notes were not registered under the securities registration provisions of the Act.

(10) During the relevant period, Kirchoff was not registered under the Act as an agent of K & L.

(11) In the offer and sale of the Notes, Kirchoff obtained money by means of untrue statements of material facts and omissions to state material facts necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading by:

(a) Failing to disclose to at least one purchaser how the funds she invested would be used;

(b) Failing to disclose that each year from the date of its formation through the relevant period, K & L lost money; and,

(c) Misrepresenting to at least one purchaser the safety of an investment in K & L.

(12) The activities described above constitute 15 violations of the Act, to wit:

(a) In five offers and sales of securities, Kirchoff unlawfully obtained money by means of misstatements of and omissions to state material facts (§ 13.1-502);

(b) In five offers and sales of securities, Kirchoff unlawfully transacted business in this Commonwealth as an unregistered agent (§ 13.1-504); and,

(c) In five offers and sales of securities, Kirchoff unlawfully offered and sold unregistered securities (§ 13.1-507).

(13) As a consequence of his illegal activities, Kirchoff should be subjected to sanctions, which are set out below.

It is, therefore,

ORDERED AND ADJUDGED:

(1) That, pursuant to Va. Code § 13.1-519, Bruce E. Kirchoff be, and he hereby is, permanently enjoined from (a) offering or selling any security in violation of Va. Code § 13.1-502, (b) transacting business in this Commonwealth as an agent in violation of Va. Code § 13.1-504, or (c) offering or selling any security in violation of Va. Code § 13.1-507;

(2) That Bruce E. Kirchoff be, and he hereby is, penalized pursuant to Va. Code § 13.1-521 in the amount of $5,000 and that the Commonwealth recover of and from the Defendant said sum, with interest thereon at the rate of 9% per year until paid, collection of which judgment shall commence thirty (30) days from this date unless fully satisfied by the Defendant;

(3) That Bruce E. Kirchoff be, and he hereby is, penalized pursuant to Va. Code § 13.1-521 in the additional amount of $70,000 and that the Commonwealth recover of and from the Defendant said sum, with interest thereon at the rate of 9% per year until paid, collection of which sum is suspended, and said judgment shall be forgiven, if the Defendant complies fully with the provisions of paragraphs (4) through (6) below;

(4) That, pursuant to Va. Code § 13.1-521 C, the Defendant is requested to rescind the five illegal securities sales and either to make restitution to, or otherwise settle with, the purchasers in connection with the five illegal sales, within ninety (90) days from the date of this order;

(5) That within forty-five (45) days from the date of this order, the Defendant notify in writing the Division of Securities and Retail Franchising of whether an agreement regarding the aforesaid rescission and restitution or settlement has been made, and the details thereof;

(6) That the Defendant submit periodically to the Division of Securities and Retail Franchising written reports describing the progress of the restitution/settlement and the Division keep the Commission so apprised; and

(7) That the Commission shall retain jurisdiction in this matter for all purposes.

CASE NO. SEC930087
AUGUST 27, 1993

APPLICATION OF
DELAWARE COUNTY AUTHORITY, UNIVERSITY REVENUE BONDS, SERIES OF 1993
(VILLANOVA UNIVERSITY) (THE "1993 BONDS") (A NOT-FOR-PROFIT PENNSYLVANIA CORPORATION)

For an Order of Exemption pursuant to § 13.1-514.1.B of the Code of Virginia

ORDER OF EXEMPTION

THIS MATTER came on for consideration upon written application with exhibits attached thereto, by counsel, dated July 29, 1993 requesting a determination that a guaranty to be issued as part of a bond offering by the Delaware County Authority be exempted from the securities registration requirements of the Securities Act (Code of Virginia (1950), Title 13.1, Chapter 5) pursuant to Virginia Code § 13.1-514.1.B.

BASED UPON THE INFORMATION submitted, the following facts, in addition to others not enumerated herein, appear to exist: Villanova University ("Villanova") is a not-for-profit corporation organized under the laws of the State of Pennsylvania exclusively for educational purposes; Villanova intends to issue as part of the Delaware County Authority, University Revenue Bonds, Series of 1993 (Villanova University) ("1993 Bonds"), a security, to wit: a guaranty of the principal, premium and interest on the Series 1993 Bonds as evidenced by a Fourth Supplemental Lease and Fourth Supplemental Sublease dated as of August 1, 1993.

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 the securities described above be exempt from the securities registration requirements of the Securities Act pursuant to the provisions of Virginia Code § 13.1-514.1.B and shall be offered or sold in Virginia only by broker-dealers which are so registered under the Securities Act, or exempted therefrom.

CASE NO. SEC930088
AUGUST 30, 1993

APPLICATION OF
UBS ASSET MANAGEMENT (NEW YORK) INC.

For an official interpretation pursuant to Va. Code § 13.1-525

OFFICIAL INTERPRETATION

THIS MATTER came before the Commission for consideration upon the letter-application of UBS Asset Management (New York) Inc. ("Applicant") dated June 4, 1993, as supplemented by letter dated June 15, 1993, filed under Va. Code § 13.1-525 by its counsel and upon payment of the requisite fee. Applicant has requested a determination that it is a person not within the intent of the term "investment advisor" as defined in Va. Code § 13.1-501, and, consequently, is excluded from the registration and other provisions of the Securities Act.

The pertinent information contained in the application is summarized as follows: Applicant, an investment advisor so registered with the U.S. Securities and Exchange Commission, presently has two investment advisory clients in Virginia. One client is an employee benefit plan with assets in excess of $5,000,000. If Applicant had no other clients in the Commonwealth, it would be excluded from the definition of "investment advisor" by virtue of paragraph E of Rule 1300 of the Commission's Securities Act Rules. Applicant's other Virginia client is The Freedom Forum, a nonstock, nonprofit New York corporation which, according to Applicant, has assets of approximately $670,000,000. These assets are invested

through twelve institutional investment advisors, including Applicant, which invests about $40,000,000 of the assets. The Freedom Forum's investment committee currently has six members, the chairman of which is a bank executive located in Rochester, New York. Two other committee members are the chief financial officer and the treasurer of The Freedom Forum. The investment committee has retained an investment consulting firm located in Connecticut to monitor the performances and other aspects of each of the investment advisors utilized by The Freedom Forum.

Applicant asserts that because of The Freedom Forum's wealth, investment sophistication and use of an investment consulting firm, it is not in need of the protections provided by the Securities Act. Given the facts of this matter, these assertions appear to be well-founded.

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 UBS Asset Management (New York) Inc. be, and it hereby is, excluded from the definition of "investment advisor" as set forth in Va. Code § 13.1-501 (1993) so long as its only clients in this Commonwealth are The Freedom Forum and/or one or more of the entities specified in the Commission's Securities Act Rule 1300 as now in effect or subsequently amended.

CASE NO. SEC930090
NOVEMBER 12, 1993

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

SETTLEMENT ORDER

On September 7, 1993 a Rule To Show Cause was issued and served upon the Defendant alleging, in substance, that a person formerly employed as an agent of the Defendant sold unsuitable securities to an investor during the period March 11, 1988 to August 22, 1989, in violation of Rule 305(A)(3) of the Commission's Division of Securities and Retail Franchising Rules and Regulations. Defendant alleges that since the time of the alleged violations the ownership of the Defendant has changed and all agents who were associated with the Defendant at that time ceased to be so associated as a result of the ownership change. The Defendant, while denying the alleged violations and denying that it should be held responsible for them, if proved, has offered to settle this case by payment of restitution to the investor in the sum of $13,726.31 pursuant to Virginia Code § 13.1-522, and payment of costs of investigation to the Commonwealth in the sum of $2,000. It further appearing to the Commission that said restitutionary sum has been paid to, and accepted by, the investor, and that said costs of investigation have been paid to the Commonwealth,

IT IS ORDERED:

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

(2) That this case is dismissed;

(3) That this order, solely by reason of its entry, shall not affect any duty or obligation to disclose the existence or nature of this matter or of any order entered herein; and

(4) That the papers herein be placed in the file for ended causes.

CASE NO. SEC930093
SEPTEMBER 13, 1993

APPLICATION OF
REGESTER CHAPEL UNITED METHODIST 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 August 6, 1993, with exhibits attached thereto, as subsequently amended, of Regester Chapel United Methodist Church ("Regester"), requesting that certain First Deed of Trust Bonds be exempted from the securities registration requirements of the Securities Act (Code of Virginia (1950), Title 13.1, Chapter 5) and that certain members of Regester 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: Regester is an unincorporated Virginia organization operating not for private profit but exclusively for religious, charitable and educational purposes; Regester intends to offer and sell First Deed of Trust Bonds in an approximate aggregate amount of $170,000 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 Regester 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 Regester 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. SEC930094
OCTOBER 20, 1993

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
TOTH FINANCIAL ADVISORY CORPORATION,
Defendant

ORDER ACCEPTING OFFER OF SETTLEMENT

The Commission's Division of Securities and Retail Franchising has instituted an investigation of the Defendant, Toth Financial Advisory Corporation, pursuant to Virginia Code § 13.1-518.

As a result of its investigation, the Division alleges:

(A) That Toth Financial Advisory Corporation has been registered under the Virginia Securities Act as an investment advisor since January 25, 1989;

(B) That the Defendant sold convertible subordinated notes issued by Toth Financial Advisory Corporation to Virginia residents that were clients of the investment advisor; and

(C) That the Defendant, by selling these convertible subordinated notes to its clients, borrowed money from clients in violation of Virginia Securities Act Rule 1206.A(6).

The 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, the Defendant has offered and agreed to comply with the following terms and undertakings:

(1) That within thirty (30) days of the date of this order, the Defendant will make, or cause to be made, to each Virginia purchaser a written offer to rescind the sale or sales of convertible subordinated notes of Toth Financial Advisory Corporation (TFAC) which occurred between July 31, 1990 and September 13, 1990;

(2) That such offer will provide for the refund of the consideration paid by the purchaser for each convertible subordinated note purchased, together with interest at the note rate of 8.4% accrued but not paid prior to the date of such refund, less the amount of any other income received on the convertible subordinated notes, upon such purchaser's tender of the convertible subordinated notes, or the substantial equivalent in damages if the purchaser no longer owns the convertible subordinated notes; that 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, that the Defendant, if its offer is accepted, will make restitution within thirty (30) days from the date the purchaser's acceptance of the offer is received by the Defendant;

(3) That evidence of compliance with the provisions of paragraphs (1) and (2), above, will be filed with the Division by the Defendant within seven (7) days from the date payment is remitted to the Virginia purchasers 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 appropriate officers of the Defendant, which will contain the following information: (i) the date on which the Virginia purchasers received the offer of rescission; (ii) the date and nature of each purchaser's response to the offer; (iii) if applicable, the date on which payment was remitted to each purchaser; and (iv) if applicable, the amount of payment remitted to each purchaser;

(4) That the Defendant will append a coy of this order to the offer of rescission; and,

(5) That 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 statute 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 Virginia Code § 12.1-15.

NOW, THEREFORE, IT IS ORDERED:

1. That, pursuant to the authority granted to the Commission in Virginia Code § 12.1-15, 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 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 it deems appropriate, on account of the Defendant's failure to comply with the terms and undertakings of the settlement.

CASE NO. SEC930098
OCTOBER 6, 1993

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 7, 1993, with exhibits attached thereto, as subsequently amended, of Lutheran Church Extension Fund-Missouri Synod ("Lutheran"), requesting that certain Dedicated Savings Certificates, Growth Certificates, Term Notes and Floating Rate Notes (the "investment obligations") be exempted from the securities registration requirements of the Securities Act (Code of Virginia (1950), Title 13.1, Chapter 5) and that certain employees of Lutheran 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: Lutheran is a Missouri Corporation organized and operated not for private profit but exclusively for religious, educational and charitable purposes; Lutheran intends to offer and sell the investment obligation in an approximate aggregate amount of $2,000,000.00 on terms and conditions as more fully described in the Offering Circular filed as a part of the application; and said securities are to be offered and sold by A.C. Haake, President of the issuer, and Marvin M. Thompson, Executive Vice President of the Southern District of the Lutheran Church-Missouri Synod, who will not be compensated for their sales efforts.

THE COMMISSION, based on the facts asserted by Lutheran 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 that A.C. Haake and Marvin M. Thompson be, and they hereby are, exempted from the agent registration requirements of said Act.

CASE NO. SEC930099
DECEMBER 22, 1993

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

ORDER ACCEPTING OFFER OF SETTLEMENT

The Commission's Division of Securities and Retail Franchising has instituted and investigation of Defendant, Berkeley Securities Corporation, pursuant to Section 13.1-518 of the Code of Virginia.

As a result of its investigation, the Division alleges:

(1) That Defendant, a broker-dealer so registered under the Virginia Securities Act, in violation of Section 13.1-504A of the Code of Virginia, employed unregistered agents, specifically, Gregory Fortune Mazzeo and Fred Paul Mazzeo, between the period of November 15, 1990 and October 24, 1991; and,

(2) That Defendant, in violation of the Commission's Securities Act Rules promulgated under Virginia Code Section 13.1-523:

(i) Failed to exercise diligent supervision over the securities activities of its agents, Gregory Fortune Mazzeo and Fred Paul Mazzeo (Rule 303B);

(ii) Failed to establish, maintain or enforce adequate written procedures designed to comply with the duties imposed by Rule 303, Supervision of Agents (Rule 303D), specifically pertaining to the prompt review and written approval of the handling of all customer complaints (Rule 303D.5);

(iii) Failed to supervise and periodically review the activities of supervisors designated by the broker-dealer among its partners, officers, or qualified agents responsible for the supervision of its agents (Rule 303E.1); and,

(iv) Failed to maintain and keep a file for all complaints by customers and persons acting on behalf of customers to include copies of any material relative to the complaint and record of what action was taken by the firm (Rule 304D.2).

Defendant neither admits nor denies the allegations with respect to unregistered agent activity, supervision of agents and record keeping, but admits the Commission's jurisdiction and authority to enter this order.

As a proposal to settle all matters arising against it, Defendant has offered and agrees to comply with the following terms and undertakings:

A. That within thirty (30) days of the date of this Order, Defendant will make, or cause to be made, a written offer to rescind the transactions which occurred in Joseph Fielder's account and the Fielder Partnership account between the period of March 28, 1991 and October 24, 1991;

B. That such offer will provide for the refund of the consideration paid by the Virginia customer, Joseph Fielder, for the purchase of the securities, together with interest thereon at an annual rate of six percent, 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; that the Virginia investor will have thirty (30) days from the date of receipt of the offer within which to either accept or reject the offer; and, that Defendant if its offer is accepted, will make restitution within fourteen (14) days from the date the Virginia customer's acceptance of the offer is received by Defendant;

C. That Defendant will not employ any unregistered agent in violation of Section 13.1-504 A of the Code of Virginia;

D. That Defendant will comply with Rules 303B, 303D, 303D.5, 303E.1 and 304D.2 of the Commission's Rules promulgated under the Virginia Securities Act;

E. That evidence of compliance with the provisions of paragraphs A and B, above, will be filed with the Division by Defendant within seven (7) days from the date payment is remitted to the investor 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 appropriate officers of Defendant, which will contain the following information: (i) the date on which the Virginia customer received the offer of rescission; (ii) the date and nature of the Virginia customer's response to the offer; (iii) if applicable, the date on which payment was remitted to the Virginia customer; and (iv) if applicable, the amount of payment remitted to the Virginia customer;

F. That Defendant will append a copy of this order to the offer of rescission;

G. That Defendant will pay a penalty to the Commonwealth in the amount of eight thousand dollars ($8,000) for alleged violations of Virginia Code Section 13.1-504 A which will be tendered contemporaneously with the entry of this Order;

H. That Defendant will pay to the Commission the sum of one thousand dollars ($1,000) as reimbursement for the costs of the Division's investigation; and

I. 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 Virginia Code Section 12.1-15.

NOW, THEREFORE, IT IS ORDERED:

(1) That, pursuant to the authority granted to the Commission in Virginia Code Section 12.1-15, Defendant's offer of settlement is accepted;

(2) That Defendant fully comply with the aforementioned terms and undertakings of the settlement;

(3) That pursuant to Virginia Code Section 13.1-521, Defendant shall pay a penalty to the Commonwealth of Virginia in the amount of eight thousand dollars ($8,000) and the Commonwealth recover of and from Defendant said amount;

(4) That pursuant to Virginia Code Section 13.1-518, Defendant shall pay to the Commission to reimburse it for the costs of the investigation, the sum of one thousand dollars ($1,000);

(5) That the total sum of nine thousand dollars ($9,000) tendered by Defendant contemporaneously with the entry of this order is accepted; 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 it deems appropriate, on account of Defendant's failure to comply with the terms and undertakings of the settlement.

CASE NO. SEC930103
OCTOBER 20, 1993

APPLICATION OF
DOME OF CANAAN BAPTIST CHURCH OF CHESAPEAKE, 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 August 26, 1993, with exhibits attached thereto, as subsequently amended, of Dome of Canaan Baptist Church of Chesapeake, Virginia ("Dome"), requesting that certain bonds be exempted from the securities registration requirements of the Securities Act (Code of Virginia (1950), Title 13.1, Chapter 5) and that certain members of Dome 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: Dome is an unincorporated Virginia organization operating not for private profit but exclusively for religious purposes; Dome intends to offer and sell First Deed of Trust Serial Sinking Fund Bonds (Series "A") and Second Deed of Trust Serial Sinking Fund Bonds (Series "B"), in an approximate aggregate amount of $675,000 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 Dome 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 Dome 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 bonds sales committee be, and they hereby are, exempted from the agent registration requirements of said Act.

CASE NO. SEC930104
NOVEMBER 3, 1993

APPLICATION OF
LOUDOUN HEALTHCARE FOUNDATION, A DIVISION OF LOUDOUN HEALTHCARE, INC. - POOLED INCOME TRUST 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 May 17, 1993, with exhibits attached thereto, of Loudoun Healthcare Foundation, a Division of Loudoun Healthcare, Inc. - Pooled Trust Fund (the "Fund"), requesting that interests in the Fund be exempted from the securities registration requirements of the Securities Act (Code of Virginia (1950), Title 13.1, Chapter 5) and that certain individuals who solicit gifts to the Fund 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: the Fund was established by Loudoun Healthcare, Inc. ("LHC"), a nonstock Virginia corporation formed not for private profit but exclusively for charitable, scientific and educational purposes; the Fund is a pooled income fund within the meaning of Section 642(c)(5) of the Internal Revenue Code of 1986; and, gifts to the Fund will be solicited by Ann F. Starzenski and Rebecca W. Craig of LHC, and H. Murrell McLeod and Shelley Gillwald of Loudoun Healthcare Foundation who will not be compensated on the basis of the amount of gifts transferred to the Fund.

THE COMMISSION, based on the facts asserted by the Fund in the written application and exhibits, is of the opinion and finds, and does hereby ADJUDGE AND ORDER that, pursuant to the provisions of Virginia Code Section 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 Ann F. Starzenski and Rebecca W. Craig of LHC and H. Murrell McLeod and Shelley Gillwald of Loudoun Healthcare Foundation who solicit on behalf of the Fund be, and they hereby are, exempted from the agent registration requirements of said Act.

CASE NO. SEC930105
DECEMBER 15, 1993

APPLICATION OF
VOICECOM HOLDINGS, INC.

For an official interpretation pursuant to Va. Code § 13.1-525

OFFICIAL INTERPRETATION

THIS MATTER came before the Commission for consideration upon the letter-application, with exhibit, as amended from time to time, of VoiceCom Holdings, Inc. ("Applicant") filed under Va. Code § 13.1-525 by its counsel and upon payment of the requisite fee. Applicant has requested a determination that the securities to be issued in connection with its Amended and Restated 1985 Stock Option Plan ("Plan") are exempted from the securities registration requirements of the Securities Act of Virginia ("Act") pursuant to Va. Code § 13.1-514 A 10. The pertinent information contained in the application is summarized as follows:

Applicant was incorporated in 1984 under the laws of the State of Washington. Its principal place of business is San Francisco, California. The principal purposes of the Plan are to encourage employees, officers, directors and non-employee consultants of Applicant to acquire its stock, thus creating in these persons a greater concern for the welfare of Applicant. Administration of the Plan is the responsibility of Applicant's Board of Directors or of a committee designated by the Board. The aggregate number of shares of Applicant which may be issued and sold pursuant to the options granted under the Plan is 2,500,000 shares. These shares may be either authorized and unissued shares or reacquired shares. To date, all persons in Virginia who have received options under the Plan are employees of Applicant. Furthermore, Applicant submitted an Undertaking under the oath of its Chief Financial Officer (i) that it will not issue options under the Plan to non-employee directors or non-employee consultants residing in Virginia and (ii) that it will issue options in the Commonwealth to only persons who are its employees.

Virginia Code § 13.1-514 A 10 provides an exemption from the securities registration requirements of the Act for "[a]ny security issued in connection with an employee's stock purchase, savings, pension, profit-sharing or similar benefit plan." In a prior Official Interpretation, the Commission determined that a stock incentive plan which involved the issuance of stock options to employees was within the ambit of the exemption at issue. Application of WT Acquisition (BVI) Corporation, Case No. SEC910040 (Apr. 3, 1991). Thus, the pivotal question is whether Applicant's non-employee consultants are members of the class of persons deemed by the Virginia General Assembly to not need the benefits of securities registration under the Act.

In Application of Danek Group, Inc., Case No. SEC910153 (Sept. 27, 1991), the Commission held that a stock option plan open to Danek Group's distributors and consultants who were not employees of the corporation was not a benefit plan subject to the exemption created by subsection A 10. Several earlier Official Interpretations involving this exemption were cited in support of this holding. In sum, these interpretations manifest the Commission's disposition to conservatively construe the A 10 exemption, a disposition in accord with the admonition of the Supreme Court of Virginia that the Act's exemptive provisions should be read narrowly. Pollok v. Commonwealth, 217 Va. 411, 413, 229 S.E.2d 858 (1976). While the Commission is still of the view that the A 10 exemption should be applied restrictively, it will grant Applicant's request upon the conditions set forth in the Undertaking. Accordingly, it is

ORDERED that the securities to be issued in connection with Applicant's Amended and Restated 1985 Stock Option Plan are exempted from the securities registration requirements of the Securities Act pursuant to Va. Code § 13.1-514 A 10 so long as such securities are (i) not issued to non-employee consultants residing in the Commonwealth and (ii) issued in the Commonwealth to only persons who are employees of Applicant.

CASE NO. SEC930106
DECEMBER 8, 1993

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
PRUDENTIAL SECURITIES INCORPORATED,
Defendant

SETTLEMENT ORDER

WHEREAS, Prudential Securities Incorporated, is a broker-dealer so registered under the Securities Act of Virginia (Va. Code Ann. §§ 13.1-501 - 13.1-527.3) ("Securities Act"); and

WHEREAS, the Division of Securities and Retail Franchising ("Division") of the State Corporation Commission ("Commission") has undertaken an investigation into the activities of Prudential Securities Incorporated in connection with the underwriting and offer and sale of limited partnership securities to investors from the period January 1, 1980 through December 31, 1990; and

WHEREAS, the Division's investigation has been conducted in coordination with investigations by a multi-state task force and the U.S. Securities and Exchange Commission ("SEC"); and

WHEREAS, in connection with the entry of this Order, Prudential Securities Incorporated has consented to the entry of a court order by the U.S. District Court, Securities and Exchange Commission v. Prudential Securities Incorporated, 93 Civ. 2164, Final Order (D.D.C. Oct. 21, 1993)

and an administrative order by the Securities and Exchange Commission, In the Matter of Prudential Securities Incorporated, Exchange Act Rel. No. 34-33082 (October 21, 1993) (the "SEC Orders") in connection with the offer or sale of limited partnership securities; and

WHEREAS, Prudential Securities Incorporated has cooperated with state officials conducting the multi-state investigation by responding to inquiries, providing documentary evidence and other materials, and providing the states access to facts relating to the investigation; and

WHEREAS, Prudential Securities Incorporated has been ordered to pay $330 million to the Claims Administrator of a court supervised Claims Fund for individual investors pursuant to the SEC Orders; and

WHEREAS, Prudential Securities Incorporated ("PSI") has agreed to reimburse any state for its reasonable, accountable expenses (as certified by the North American Securities Administrators Association) in the investigation of this matter; and

NOW THEREFORE, the Commission hereby enters this Order:

I. SCOPE OF THE ORDER

1. For purposes of this Order, the term "DIG-Related Activity" shall mean the activities of PSI, its predecessors, subsidiaries, affiliates, officers, directors, employees, agents and those persons in active concert or participation with them in connection with the origination, offer or sale of any security identified in Exhibit A hereto, and any limited partnership interest ("The Limited Partnership Interests"), during the period January 1, 1980 through and including December 31, 1990 (the "Time Period") by, through or in conjunction with PSI's Direct Investment Group, its predecessors and successors.

2. This Order does not include any release as to any co- sponsors of PSI in connection with DIG-Related Activity.

3. This Order does not limit any purchaser's private remedies against PSI or others for DIG-Related Activity, or PSI's liability to any person, or PSI's defenses thereto, except as provided in the SEC Orders with respect to the statutes of limitations and repose.

4. Except as explicitly provided in this Order, nothing herein is intended to or shall be construed to have created, compromised, settled or adjudicated any claims, causes of action, or rights of any person whomsoever, other than as between the Commission and PSI in accordance with this Order.

5. Any violation of the related SEC Orders shall be deemed violations of this Order. Should PSI fail to abide by the terms and conditions of this Order or the SEC Orders, nothing contained herein shall be construed to prevent the Commission from exercising its authority to impose any appropriate civil or administrative penalty against PSI.

6. Unless otherwise defined in this Order, all capitalized terms herein shall have the meanings as set forth in the SEC Orders.

II. FACTUAL FINDINGS

A. SUMMARY OF PSI'S LIMITED PARTNERSHIP RELATED SALES PRACTICE VIOLATIONS

From 1980 through 1990, PSI sold approximately $8 billion of interests in more than 700 different limited partnership offerings to investors throughout the United States.[1] The vast majority of the limited partnership interests PSI sold carried with them significant risks of loss, in that their financial success was largely dependent on the value of the assets in which the limited partnerships invested.

In numerous instances, PSI misrepresented speculative, illiquid limited partnerships as safe, income-producing investments, suitable for safety-conscious and conservative investors. As a result of these practices, PSI sold limited partnerships to a significant number of investors for whom the investments were not suitable in light of the individuals' financial condition or investment objectives, and caused many other investors to purchase securities they would not otherwise have purchased if they had been adequately informed of the inherent risks of these types of partnership investments.

PSI's origination and marketing of limited partnerships was handled by the firm's Direct Investment Group ("DIG"). DIG was responsible for PSI's development of limited partnership offerings in conjunction with PSI's co-sponsors, the distribution of promotional materials, and the administration of PSI's subsequent participation in the business operation of many limited partnerships. In virtually every aspect of its operations, but particularly with respect to its marketing and promotional efforts, DIG operated outside of PSI's existing supervisory and compliance structure.

PSI did not adequately supervise DIG personnel or monitor their marketing activities. DIG's promotional materials directed to its sales force contained materially false and misleading statements concerning limited partnerships which, in many instances, were contrary to prospectus disclosures and misrepresented the safety, potential returns, and liquidity of the relevant limited partnership investments.

Only in recent years have PSI's sales practice problems come to light. The limited partnerships were principally invested in real estate, oil and gas producing properties and aircraft leasing ventures. The value of these assets declined in the late 1980s and limited partnership investors have generally suffered a decline in the value of their investments. For a substantial period of time, PSI carried the investments at original cost on its customer account statements, rather than at current market value.

As a result of its sales practices in connection with limited partnership interests, PSI, during the relevant period, violated Va. Code § 13.1-502.

B. BACKGROUND

Limited partnerships differ from other investment vehicles in a number of significant respects. They may have unique implications for the investor concerning taxes, liability in the event of default, rights upon liquidation, dissolution or foreclosure of the partnership or its assets, and redemption privileges, among other things. Limited partnerships typically offer investors direct ownership interests in one or more underlying assets to be acquired, operated, developed, or otherwise managed by the general partner on behalf of the limited partners, in accordance with terms set forth in an offering document or prospectus.

There is no established secondary trading market for most limited partnerships and investors are usually advised in the prospectus that a limited partnership investment may not be appropriate if they anticipate a short term need to liquidate the investment for cash. This lack of liquidity stems from the fact that most limited partnerships are formed to acquire, manage and hold for a specified period of time tangible assets which require substantial capital expenditures and which do not readily lend themselves to resale. The intent behind most limited partnership investments is to receive income or other benefits during the useful life of the underlying asset and profit from its sale when the limited partnership is terminated.[2]

The approximately $8 billion PSI raised in limited partnerships was invested principally in real estate, oil and gas producing properties, and aircraft leasing ventures. Limited partnership investors generally have suffered significant losses in recent years due to, among other factors, declining prices for these assets. Moreover, in many instances, the partnerships have substantially reduced or altogether ceased making cash distributions to their limited partners.

C. DIG'S ORGANIZATION, AND ORIGINATION AND MARKETING ACTIVITIES

PSI's participation in limited partnership offerings was handled by DIG which was, for most of the relevant period, a unit of the firm's Retail Sales Group. Between 1980 and approximately 1990, DIG, in conjunction with at least 68 different co-sponsors, caused PSI to participate in the origination or sale of more than 700 different limited partnership offerings. PSI functioned variously as underwriter, selling agent, and/or sole or co-general partner in connection with each of these offerings.

In its New York headquarters, DIG operations were divided among various sections including for most of the relevant period: Origination/Due Diligence - responsible for developing the investment concept into a limited partnership product, in conjunction with PSI's co-sponsors; Asset Management - responsible for carrying out PSI's responsibilities as sole or co-general partner of the limited partnerships it sponsored, and monitoring PSI's co-sponsors who functioned in that capacity; and Marketing - responsible for limited partnership-related promotional efforts nationwide.

The goal of DIG was to promote limited partnership sales. Once a limited partnership offering had been structured, DIG's marketing personnel generated a wide variety of selling tools to promote its sale throughout PSI's vast retail branch office network. DIG personnel located in DIG's New York headquarters and in PSI's various regional offices prepared "promotional" materials directed to registered representatives. DIG also distributed information to PSI's sales force through other PSI publications. Many individual brokers also prepared their own sales materials derived in whole or in part from information supplied by DIG, which they provided directly to customers. In addition, PSI's co-sponsors had their own marketing operations which produced a substantial amount of promotional materials for use by PSI's brokers in selling limited partnerships. PSI did not adequately review the materials DIG generated internally or those materials prepared by PSI's co-sponsors.

During most of the relevant period, the principal DIG marketing officers were known as Regional Coordinators. Normally, each DIG Regional Coordinator was allocated a Regional Marketing Specialist and several staff assistants. Although physically located in PSI's various regional headquarters, DIG Regional Coordinators reported directly to the head of DIG in New York, rather than to the firm's Regional Directors, who were otherwise responsible for the overall activities of the branch offices located within their regions. DIG Regional Coordinators and their staffs made sales presentations and distributed sales literature and promotional materials to branch office personnel in person, through inter-office mail and other internal communication systems. Their activities were outside PSI's regular supervisory and compliance structure and received little supervision or monitoring from any personnel outside of DIG. DIG Regional Coordinators served as liaison between PSI's retail sales force and marketing personnel employed by PSI's co-sponsors, known as "wholesalers." They organized special marketing events where they gave audio and video presentations to registered representatives and potential investors concerning DIG products. DIG Regional Coordinators also held telephone conferences on a regular basis with Branch Office Managers to describe and promote new DIG offerings, and some distributed newsletters to all registered representatives within their regions containing detailed descriptions of all available DIG products, as well as previews of those offerings yet to come.

PSI derived substantial revenues from the origination, sale and subsequent business operations of the limited partnerships as selling agent and, in many cases, sole or co-general partner of the partnerships. These revenues came, in part, from sales commissions which were generally higher for limited partnership purchases than for other available products. These higher commissions also resulted in greater compensation to registered representatives. PSI also instituted a program to share with its sales force a portion of the fees and revenues the firm received in its capacity as sole or co-general partner from the business operations of the limited partnerships.

D. OVERVIEW OF DIG PROMOTIONAL MATERIALS

Many DIG promotional pieces directed to PSI's sales force were in standardized formats which were adapted for use in numerous offerings.[3] DIG supplemented this printed information with oral presentations to registered representatives over a nationwide inter-office telephone communications system and at periodic meetings, conferences and seminars throughout the country. DIG also sponsored "due diligence" trips during which Branch Office Managers and registered representatives were given the opportunity to visit property sites owned or to be acquired or operated by the limited partnerships.

Internally-generated promotional materials and the information obtained during oral presentations sponsored by the firm were principal sources of information available to registered representatives concerning the features of direct investment limited partnerships. As "proprietary products," most direct investment limited partnerships were available exclusively through PSI and, at the time of the purchase, there were rarely any

sources of information outside of the firm concerning these products. Brokers relied on the printed and oral information they received to ascertain limited partnership characteristics such as potential returns, suggestions for potentially suitable investors and the risks attendant to the investment.

PSI expected brokers to use DIG promotional materials in their oral sales presentations to customers and to rely on their contents. Brokers were not required, and frequently were not encouraged to read prospectuses. Prospectuses were viewed by many registered representatives as "legal documents" that they were required to provide to customers, but which were to be orally supplemented and explained pursuant to the promotional materials provided by the firm. Purchasers of DIG-sponsored public limited partnership offerings typically received prospectuses only after they had committed to purchase the product.

E. PSI SOLD MANY LIMITED PARTNERSHIPS AS SAFE, HIGH-YIELD INVESTMENTS

Safety and high income were among the themes which appear in much of DIG's limited partnership promotional literature directed to registered representatives. At one National Conference DIG sponsored to promote limited partnership sales, attended by 197 registered representatives, a marketing consultant retained by DIG gave a presentation designed to improve their selling techniques. Materials distributed in the course of that presentation divided potential customers into four categories: "Forceful, Thorough, Friendly, and Enthusiastic."

Registered representatives were provided "strategies" for successful selling techniques for customers in each category. "Friendlies," for example, were described in this material as "trusting" and "non-risk taking" personalities. In soliciting "Friendlies," brokers were encouraged to use such phrases as "Trust me, I'll take care of all the problems," "It's almost guaranteed, so you can feel safe about it," and "We want you to be comfortable about it so just relax." Another tactic brokers were told to use was to "Stress safety and guarantees. Give your personal assurances."

Certain DIG promotional materials directed to registered representatives misrepresented "guarantees" which accompanied several limited partnership offerings. Typically, these "guarantees" were subject to significant restrictions. DIG's promotional materials frequently failed to disclose the many conditions attendant to "guarantees" or the limited circumstances under which the "guarantee" actually applied.

For example, PSI raised more than $190 million on behalf of one limited partnership which, according to the prospectus, intended to acquire residential apartment complexes and thereafter operate and hold the properties as an investment. As part of the offering, a financial institution had agreed to issue a letter of credit which provided for payment under very limited circumstances described in the prospectus. The prospectus contained detailed risk disclosure concerning the offering, including the absence of any public market for the securities. The prospectus expressly stated that "no investor should view the Letter of Credit as providing protection against certain risks attendant to an investment in the Partnership." The prospectus also prohibited the use of forecasts, representations or predictions as to the amount or certainty of any present or future cash benefit or tax consequence in connection with the offering.

In marketing this limited partnership, DIG regional promotional materials deviated from the prospectus in numerous significant respects. For example, DIG promotional materials stated that this product featured "growth, fast cash, safety and liquidity." The DIG "Fact Sheet" asserted on its first page that "investors' capital will be backed by a letter of credit," relegating to a subsequent page any reference to the prospectus for additional details. No discussion of the significant restrictions applicable to the credit facility was contained in the "Fact Sheet." Several DIG promotional pieces contained forecasts of returns although the prospectus prohibited use of such forecasts, and proclaimed "No Risk of Principal - Your customer's total investment plus 28% is guaranteed by a letter of credit." [Emphasis in original.] These statements were false.

Similarly, a "DI Sales Action Worksheet" for this product used in at least three PSI regions suggested that registered representatives recommend it to customers who need: "Safety, quick return of capital, growth, income, tax benefits." Safety was purportedly assured by the letter of credit which, this memorandum to registered representatives erroneously stated, "guarantees 128% return to investor." [Emphasis in original.] In this "DI Sales Action Worksheet," DIG informed brokers that this product should be purchased by "pensions, IRA accounts, customers who want current income, early return of their investment, growth, and downside protection . . . [and] conservative investors." The information contained in DIG promotional literature was often used to solicit limited partnership sales. For example, the following sales script addressed to customers was incorporated into the "DI Sales Action Worksheet":

> As you can see, [this product] provides you with the growth and income you need while also addressing your concerns for safety. After reviewing your portfolio, I believe that a $25,000 investment would be appropriate, or would you prefer to take a larger position?

Although the prospectus expressly prohibited use of forecasts or predictions concerning future returns, another regional DIG promotional publication suggested that registered representatives make the following sales pitch to investors:

> [Y]ou will start with about 6% return and that should increase each year . . . This investment comes with a letter of credit [which] guarantees that you won't receive less than 128% of your original investment back. Not a bad deal, is it? Buying real estate for growth with no downside . . . I'll put you down for $20,000 worth, or would you rather take a stronger position?

PSI customers have suffered a decline in value of approximately one-third of the $190 million they invested in this program based on current real estate prices.[4] To date customers have received total cash distributions since 1988 of approximately 18% of their investment.

In another example, PSI offered its retail customers interests in a venture which had been formed to invest in subordinated real estate loans, construction loans, pre-development loans and land loans on properties owned or to be acquired by affiliates of the general partner. To a lesser extent, the venture was also to make equity investments in real property. The prospectus for this offering disclosed that an affiliate of the sponsor had agreed to provide, subject to the risks disclosed in the prospectus, the funds required for guaranteed returns over three different time periods.[5] The prospectus disclosed that these guarantees were subject to substantial risks, including that the guarantor might not be able to honor any of its guarantees. In addition, the prospectus contained more than eight pages of detailed disclosure concerning other general and specific risks.

Despite the substantial risks disclosed in the prospectus, DIG marketed the offering essentially as a safe investment with a series of unqualified guarantees. One typical promotional piece especially stressed the "safety" of the investment, stating that the "worst case [would be] the

return of the customer's investment." That same piece urged registered representatives to solicit "CD and bond buyers," "pension, IRA/Keogh accounts," and "utility stock buyers" to purchase the security.

Between March and December of 1988, PSI sold $296 million of common stock in this offering. To date, investors have lost approximately one-third of their capital, even after taking into account distributions they have received and the uncertain residual value of their investment.

F. DIG PROMOTIONAL MATERIALS MISSTATED RETURNS ON SOME LIMITED PARTNERSHIP INVESTMENTS

A primary objective of certain PSI limited partnership offerings was to pay cash distributions to investors from the business operations of the partnerships. In connection with some of these offerings, PSI used projected and past cash distribution ratios as a major selling point in promoting limited partnerships over other "income-producing" investments. Certain DIG promotional materials used in connection with a related series of offerings characterized payments to investors as cash distributions, as well as "income," "returns on investment" and "yields." Those materials stated that investors could expect "anticipated current yields in the range of 15-20% annually," "anticipated return on investment 16-19% annually . . . [with] Lower Risk," and that "the anticipated return on investment is projected to be 10-12% in the first year, and once the Partnership is fully invested, the yield is anticipated to be 13-15% or greater." DIG's materials also promoted certain partnership offerings based on the purported "proven track record" of earlier offerings in the same series.

The use of such terms as "income," "return on investment" and "yield" interchangeably and without adequate explanation of their meaning was misleading. These DIG promotional materials did not adequately explain that past or projected cash distributions included return of investor capital and, in some instances, distribution of funds the partnerships had borrowed from third parties. In selling limited partnerships to investors, PSI often failed to adequately explain such returns and made false and misleading statements concerning past and projected returns.

G. PSI'S CUSTOMER ACCOUNT STATEMENTS CARRIED LIMITED PARTNERSHIP POSITIONS AT COST

Until 1991, PSI showed limited partnership positions on customer account statements at the original purchase price, rather than at current market value, and incorporated that purchase price in a "net worth" calculation which appeared on the face of the account statements.[6] Since purchase price never fluctuated, the net worth calculation which incorporated it failed to reflect declining asset values or the absence of any reliable secondary market price.

In addition, in some instances, certain DIG promotional materials stated that direct investment positions would appear on account statements at par. Registered representatives were told that direct investments would experience "no short term volatility."

PSI's practice of reflecting limited partnerships on account statements at cost in many instances provided investors with a false sense of safety about their investments and failed to reflect the current market value, if any, of their investments.

H. IN MANY INSTANCES, PSI BROKERS IGNORED SUITABILITY DETERMINATIONS

DIG's marketing approach generally was to ignore individual suitability considerations and promote the sale of limited partnerships to virtually every PSI customer. DIG promotional materials contained numerous statements such as "this product is suitable for every customer in your book" and "is there any reason you could not invest $10,000 or $20,000 in this limited partnership?" DIG also stressed that its promotional materials were adaptable for most investors, including stock buyers, bond buyers, CD investors, commodities traders, active accounts, or those who buy for the long term.

Subsequent to the adoption of the 1986 Tax Reform Act, DIG emphasized sales of certain partnerships to income-oriented investors. In particular, DIG identified investors with maturing certificates of deposit as potential purchasers of several speculative limited partnerships which would invest in:

- residential apartments, shopping centers, office buildings, warehouses, mobile home communities, and hotel properties which were either recently completed or still under construction;
- subordinated mortgage loans on similar "income-producing" properties;
- oil and gas producing properties; and
- used commercial jet airplanes to be leased and ultimately sold.

In many cases the sales of such limited partnerships to investors who had previously held certificates of deposit resulted in unsuitable sales being made to PSI's customers, including retirees and pension funds.

For example, PSI sold one limited partnership formed to invest in mortgage loans on apartment communities still under development. The prospectus expressly prohibited the use of forecasts or predictions in connection with the offering, and contained detailed risk disclosure concerning, among other things, the absence of any secondary market for the securities and the lack of diversity in the investment.

In promotional materials directed to registered representatives, DIG suggested that this product be recommended to investors with certificates of deposit about to mature. The DIG "Fact Sheet" for this offering contained the following suggested sales call script:

> Mrs. Jones . . . I am calling because you have a CD maturing and we need to place that money again to get you the highest yield. Currently the CD market will give us 7.5 - 8.1 % for seven-ten years . . . Now I knew that those yields would not be to your liking so I looked a little further and found an alternative. We can

> take a portion of your dollars and invest it like your bank does. We will lend it to [sponsor] to use in his business. Now you ask me, "Who is [sponsor]?" He is the largest owner, developer of apartments in the Southeast and his net worth is in excess of $100,000,000. How safe is [your] money? Since I knew that safety was a concern of yours Mrs. Jones, I made sure of this safety before we spoke. [Sponsor] is personally guaranteeing the mortgage payments with his own net worth, for the first three years. You will receive a minimum of 8.5% on your investment and that cash flow should increase after the first 3 years by a half percent per year. Your average yield will be around 11% and your money will mature in twelve years.

The prospectus prohibited use of forecasts or predicted returns such as those contained in this proposed telephone script. Furthermore, in making such predictions, DIG failed to disclose the assumptions upon which they were based, including, for example, sustained appreciation in the real estate market.

In promotional materials used in at least two of PSI's geographic regions for a similar mortgage-related limited partnership, DIG again urged PSI's sales force to direct their efforts to investors with maturing certificates of deposit. One promotional piece explained:

> Most CD investors are looking for: Safety of Principal and Yield; [this product] has both! GP Guarantees; Higher Yields Than CDs, PLUS something no CD can offer -- GROWTH POTENTIAL . . . 8 1/2% Yield Plus Guaranteed Principal and Interest Payments! Can you find any CD paying that high a yield? Liquidity -- the Fund Expects to list on an exchange within 2 1/2 years. Growth Potential -- a Minimum of 25% participation in the appreciation of the underlying real estate. Subjects: CD/Bond Buyers, Young Parents setting up for college-education funds for their children (UGMA Accounts), Customers on a fixed income -- this will be a higher yield than they can get elsewhere and will grow with inflation. Great for IRAs, Pensions, etc. (They love the security of the 1st Mortgage PLUS the Guarantee.)

Using sales presentations such as these, PSI sold more than $54 million of interests in this limited partnership in 1987. Six years later, investors have received less than one-third of their investment back in cash distributions and hold illiquid residual interests of uncertain market value.

As a result, PSI recommended and sold limited partnerships to tens of thousands of investors for whom they were not suitable.

I. ANTIFRAUD VIOLATIONS ARISING OUT OF PSI'S OFFER AND SALE OF LIMITED PARTNERSHIP INTERESTS

The Commission stresses the obligation of broker-dealers to assure that retail sales activities comply with the antifraud provisions of Va. Code § 13.1-502.

1. *False Statements and Omissions*

PSI made material misstatements and omissions in the sale of limited partnership interests relating, among other things, to the nature, potential yields, safety, and purported liquidity of the investments. These misstatements and omissions were communicated to investors through jurisdictional means.

In many instances, PSI failed adequately to disclose significant risks attendant to limited partnerships such as the absence of a reliable secondary market, the qualified nature of guarantees, and inherent conflicts of interest.

Investors had few if any reliable sources of information other than PSI concerning the limited partnerships they were purchasing and were therefore vulnerable to misleading sales presentations from brokers willing to disregard the unsuitability of the recommended security for the purchaser.

These practices violated the antifraud provisions of Va. Code § 13.1-502.

2. Suitability

In many instances, PSI failed to make required determinations, in recommending and selling limited partnerships, that the investments were suitable for investors in light of their individual financial status and investment goals. PSI also recommended, often in disregard of their individual needs and financial goals, that investors, including some who were elderly or retired, transfer money from investments with relatively little risk of loss of principal to speculative, illiquid limited partnerships. As a result, PSI violated Securities Act Rule 305 A 3.

J. FAILURE TO SUPERVISE DIG

PSI established an operating unit which, over a ten year period, facilitated the sale of approximately $8 billion in limited partnership interests to hundreds of thousands of investors nationwide. PSI permitted this unit to operate outside of the firm's existing supervisory and compliance structure. As a result, PSI's sales force sold limited partnerships to thousands of customers using materially false and misleading misrepresentations and omissions, in violation of the antifraud provisions of the federal securities laws.

Va. Code §§ 13.1-506(7) and 13.1-521 A and B as well as Securities Act Rule 303 B authorize the Commission to sanction broker-dealers who fail to exercise diligent supervision over their agents.

As the U.S. Securities and Exchange Commission has observed: "[I]n large organizations it is especially imperative that the system of internal control be adequate and effective." In the Matter of Shearson, Hammill & Co., 42 SEC 811, 843 (1965).

PSI failed adequately to oversee its DIG unit to ensure that the sales presentations of registered representatives – persons subject to its supervision and control – were accurate, consistent with prospectus disclosure, and otherwise complied with applicable rules and regulations. PSI's supervisory failures permitted violations to continue for years.

PSI did not adequately review, supervise or control DIG personnel with a view towards preventing the creation, distribution and use of false and misleading promotional materials in selling limited partnerships. DIG, headquartered in New York and with personnel located nationwide, operated outside of PSI's regular supervisory and compliance structure. DIG marketing personnel made sales presentations and distributed materials to PSI's retail sales force with little supervision or monitoring from any personnel outside of DIG.

III. INFORMATION REPOSITORY

1. PSI shall establish and maintain in a manner that the Claims Administrator may direct for ready inspection during business hours by potential claimants, their attorneys and representatives:

a. A database containing, with respect to each settled claim and each claim submitted to the Expedited Dispute Arbitration Proceedings established under the SEC Orders, the following:

(i) the limited partnership which gave rise to the claim;

(ii) a brief description of the claim, including the date and the amount of the purchase;

(iii) the terms of the settlement, arbitration award or order, including the amount of any payment by PSI; and

b. All awards or orders resulting from the Expedited Dispute Arbitration Proceedings, indexed to the database established under paragraph III.1.a, above, and all reports of the Claims Administrator.

2. PSI shall make data contained in the Information Repository available to the Division upon request.

IV. REMEDIAL MEASURES

PSI shall adopt, implement and maintain the following remedial measures:

1. Within the time limit required in the SEC Orders, PSI shall establish, and maintain for a period of at least five years, a Compliance Committee of its Board of Directors (the "Compliance Committee"), consisting of no fewer than three persons.

2. The Compliance Committee shall oversee PSI's compliance with applicable federal and state securities laws and the rules and regulations of all national securities exchanges, the MSRB, and self-regulatory organizations of which PSI is a member, and report thereon at least quarterly to the Board of Directors of Prudential Securities Group. That report shall address the activities of the Compliance Committee in meeting its responsibilities under this Order.

3. The Compliance Committee shall take such steps or direct that management take steps as the Compliance Committee deems necessary or appropriate to correct in a timely fashion any material compliance failure or any material failure to comply with any Compliance Directive, as hereinafter defined. The Compliance Committee may authorize amendment of any Compliance Directive to achieve compliance by PSI or its associated persons with regulatory requirements.

4. A "Compliance Directive" is:

(a) Any instruction from the Compliance Department, designated as such, to any PSI employee(s) to cease any activity or course of conduct or to affirmatively take action to comply with federal and state securities laws, the rules and regulations of all national securities exchanges, the MSRB, and self-regulatory organizations of which PSI is a member, or PSI's policies and procedures embodied in its Compliance Manual or other Compliance Department publications; or

(b) Any other instruction from the Compliance Department to any PSI employee(s) designated as a Compliance Directive.

The Director of Compliance shall act reasonably and in good faith in designating, or not designating, as the case may be, instructions as Compliance Directives. The Director of Compliance shall maintain a record of all Compliance Directives and PSI shall maintain records reflecting the monitoring of compliance therewith.

5. It shall be the responsibility of the Director of Compliance to cause PSI to establish procedures, and a system for applying such procedures, which would reasonably be expected to achieve compliance by all PSI personnel with all applicable federal and state securities laws, the rules and regulations of all national securities exchanges, the MSRB, and self-regulatory organizations of which PSI is a member, as well as with Compliance Directives.

6. In the event the Director of Compliance determines that there has been a material compliance failure that has not been corrected or that a Compliance Directive has not been materially complied within a reasonable time, the Director of Compliance shall report the failure or non-compliance to the Compliance Committee, PSI's Chief Legal Officer and PSI's Chief Executive Officer. In addition, the Director of Compliance shall create a record of the failure or non-compliance, including a description of the steps the Compliance Department has taken, the responses thereto, or failures to respond, by involved supervisory personnel. PSI shall maintain the records required by this paragraph as Compliance Department records available for inspection by the Division.

7. Within the time periods required in the SEC Orders, PSI shall establish, and maintain for a period of five years, the position of Regional Compliance Officer for each of its operating regions. The duties and responsibilities of each Regional Compliance Officer shall consist exclusively of compliance matters.

8. Regional Compliance Officers shall have no direct financial interest in the commissions or other revenue generated from customer accounts, and shall report to the Director of Compliance.

9. Regional Compliance Officers shall have such duties and authority as the Director of Compliance shall determine, including the duty to notify the appropriate Regional Directors, Branch Office Managers, and the Director of Compliance of any material compliance failure or any material failures to comply with any Compliance Directive.

10. Within the time limit required in the SEC Orders, PSI shall review, modify where appropriate, implement and maintain procedures relating to supervision and oversight by Branch Office Managers of all registered representatives and other personnel in Branch Offices; and shall review, modify where appropriate, implement and maintain procedures which specify the responsibilities of Regional Directors for supervision and oversight of all Branch Office Managers in each respective Region.

11. Within the time limit required in the SEC Orders, PSI shall review, modify, develop, implement and maintain procedures to achieve review and approval by designated Law and Compliance Department personnel of marketing, sales and promotional materials, whether for internal use or for dissemination to customers. PSI shall maintain a record of the particular personnel designated to review materials pursuant to this paragraph.

12. By May 1, 1994, PSI shall evaluate its current policies and procedures and shall implement any new or revised policies and procedures designed to detect and prevent violations of applicable federal and state securities laws, the rules and regulations of all national securities exchanges, the MSRB, and self-regulatory organizations of which PSI is a member, including violations such as those described in this Order. That review shall include, without limitation, policies and procedures designed to address:

(a) the prohibition of excessive trading in customer accounts;

(b) the prohibition of trading that is unsuitable in light of the customer's financial condition and investment objectives;

(c) customer verification of the accuracy of account information;

(d) the disclosure of margin account status to customers who open or maintain "Command" or other cash-management accounts;

(e) PSI's "due diligence" with regard to securities offerings;

(f) supervision with respect to trading in mutual funds:

(1) to detect and prevent failure to comply with PSI's "switch letter" procedures;

(2) to detect and prevent breakpoint trading; and

(3) to afford customer receipt of rights of accumulation;

(g) the hiring and continued employment of registered representatives who have been the subject of a customer complaint or disciplinary action including:

(1) the development of standards to identify registered representatives or prospective registered representatives who have significant disciplinary histories, or who have been the subject of significant customer complaints;

(2) the requirement of written approval by designated Law or Compliance Department personnel of the hiring of any registered representative who has had a significant disciplinary history or who has been the subject of significant customer complaints (PSI shall maintain a record of all personnel designated pursuant to this paragraph); and

(3) the adoption and implementation of systems:

(a) to communicate significant customer complaints or disciplinary actions involving PSI registered representatives or other employees to appropriate personnel in PSI's Law and Compliance Departments and appropriate Regional Directors and Branch Office Managers; and

(b) to require appropriate Law and Compliance Department personnel to review that information, make a recommendation to the appropriate supervisory personnel, and be advised by such supervisory personnel of the action taken with respect thereto. In the event the Law or Compliance Department recommends that a PSI employee be disciplined or terminated and such recommendation is not accepted, prompt notification shall be given to the Compliance Committee, and a record of such notification shall be maintained.

(h) the management and supervision of active accounts, including:

(1) the periodic creation and distribution of active account reports to the Branch Office Manager, Regional Director, and the Regional Compliance Officer;

(2) periodic contact between PSI's supervisory personnel and customers to determine that the customer:

(a) knows that the account has appeared on an active account report;

(b) knows the extent to which the account shows a gain or a loss over a prescribed period of time; and

(c) is suitable for the trading in the account in light of the financial situation and investment objectives of the customer.

13. Within the time limit required in the SEC Orders, PSI shall review, modify where appropriate, implement and maintain procedures to accomplish routine distribution of periodic Branch Office audit reports or Compliance visitation reports to the Director of Compliance, and to achieve timely correction of deficiencies identified therein.

14. PSI shall cause its outside auditor to conduct a statistically valid survey of customers designed to test the effectiveness of PSI's sales practice supervisory procedures in achieving compliance with applicable laws and regulations. This survey shall be conducted in accordance with standards established by the American Institute of Certified Public Accountants and shall be performed annually for no less than three years, and may be conducted at the same time as the firm's regular annual audits, commencing with the 1994 audit. PSI will obtain copies of all underlying survey documentation from its auditor. PSI will make the report of this survey, as well as the underlying documentation, available upon request to any federal or state securities regulator or to any self-regulatory organization of which PSI is a member.

15. PSI shall reasonably cooperate, and use all reasonable efforts to cause its present or former officers, directors, agents, servants, employees, attorneys-in-fact, assigns, and all persons in active concert and participation with them to reasonably cooperate with investigations, administrative proceedings and litigation conducted by the Commonwealth of Virginia arising from or relating to DIG-Related Activity.

V. CONCLUSIONS OF LAW

1. The Commission has jurisdiction over this matter pursuant to the Securities Act.

2. In connection with the offer and sale of securities, PSI has:

a. employed devices, schemes and artifices to defraud,

b. obtained money by means of untrue statements of material facts and omissions to state material facts necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading, and

c. engaged in transactions, practices and courses of business which operated as a fraud and deceit upon purchasers,

in violation of Va. Code § 13.1-502.

3. PSI has failed to diligently supervise its agents as required by Securities Act Rule 303 B.

VI. UNDERTAKING

PSI undertakes to comply with the provisions of the Securities Act and the Rules adopted thereunder.

VII. ORDER

THEREFORE, on the basis of the FACTUAL FINDINGS and CONCLUSIONS OF LAW, the Commission is of the opinion and finds that PSI has consented to the entry of this Order without admitting or denying any of the FACTUAL FINDINGS or CONCLUSIONS OF LAW contained herein and without prior hearing, presentation of any evidence, or adjudication of any issue of law or fact, and that the entry of this Order is appropriate, in the public interest and necessary for the protection of investors; accordingly,

IT IS ORDERED that this Order represents the complete and final resolution of, and discharge with respect to, all claims, demands, actions and causes of action by the Commission against PSI and its predecessors, subsidiaries and affiliates for violations of the Securities Act and Securities Act Rules arising as a result of or in connection with any actions or omissions by PSI and/or any of its associated or affiliated persons or entities in DIG-Related Activity during the Time Period and is in lieu of further civil or administrative proceedings. This discharge does not encompass Braeloch Holdings and the Graham Company subsidiaries of Braeloch Holdings. However, nothing in this Order shall in any way affect the authority of the Commission to institute any action against any other party, including any individual employee (past or present) of PSI, its predecessors, subsidiaries or affiliates. Additionally, nothing in this paragraph shall be construed as applying if any breach or violation of this Order occurs.

IT IS FURTHER ORDERED that this Order constitutes and includes a waiver by the Commission of any and all limitations and disqualifications that may ensue from the entry of this Order or the SEC Orders that would otherwise affect, restrict or limit the business of PSI and its predecessors, subsidiaries and affiliates 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 by the Commission).

IT IS FURTHER ORDERED that this ORDER does not permanently or temporarily enjoin PSI, and is not intended to prohibit PSI, 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 PSI shall comply fully with the SEC Orders.

IT IS FURTHER ORDERED, pursuant to Va. Code § 13.1-521 that PSI shall pay to the Commonwealth a penalty in the amount of Five Hundred Thousand Dollars ($500,000.00), payment of which shall be tendered simultaneously with the entry of this Order.

IT IS FURTHER ORDERED that PSI shall comply fully with the provisions of the Claims Fund as established in the SEC Orders including the limitation on PSI's assertion of statute of limitation defenses as required in the SEC Orders.

IT IS FURTHER ORDERED that this Order shall become effective immediately.

IT IS FURTHER ORDERED that this matter is dropped from the docket and the papers herein be placed in the file for ended causes.

VIII. CONSENT TO ENTRY OF ORDER BY DEFENDANT

PSI hereby acknowledges that it has been served with a copy of this Order, has read the foregoing FACTUAL FINDINGS, CONCLUSIONS OF LAW, and ORDER, is aware of its right to a hearing in this matter, and has waived same.

PSI admits the jurisdiction of the State Corporation Commission of Virginia over the party and the subject matter; neither admits nor denies the FACTUAL FINDINGS and CONCLUSIONS OF LAW contained in the Order; and consents to entry of this Order by the Commission as settlement of the issues contained in this Order.

PSI states that no promise of any kind or nature whatsoever was made to it to induce it to enter into this Order and that it has entered into this Order voluntarily.

Patrick J. Finley represents that he is Senior Vice President of PSI and that, as such, has been authorized by PSI to enter into this Order for and on behalf of PSI.

[1]This proceeding relates to PSI's sale of securities originated, offered or sold by, through or in conjunction with PSI's Direct Investment Group. The vast majority of these offerings consisted of public and private placement limited partnerships. This unit also participated in the origination and marketing of a limited number of grantor trusts and real estate investment trusts. These various investments are hereinafter referred to collectively as "Limited Partnership Interests."

[2]Prior to the Tax Reform Act of 1986, many direct investment limited partnerships were structured as tax-advantaged investments, while those products offered subsequent to 1986 were designed primarily to generate income from the acquisition, operation and eventual sale of tangible assets.

[3]For example, DIG generated many of the following materials directed to registered representatives for each limited partnership offering: a so-called "Fact Sheet," regional "DI Sales Action Worksheet" and "DIG Product Snapshots," and numerous miscellaneous items such as presentation outlines, seminar invitations, telephone scripts, and prospecting guides. PSI and its co-sponsors also distributed several periodic publications containing product descriptions, performance updates, sales commission rates and other sales incentive information.

[4]The eventual outcome of the transaction including what, if any, payment will be made on the letter of credit is uncertain.

[5]According to the prospectus, investors in this offering would receive 7.5% per annum during the offering period, 12% per annum from the closing date through December 31, 1990, and cash distributions equal to subscribers' original investment no later than the earlier of final liquidation of the fund or the 15th anniversary of the closing date.

[6]PSI stated, on the back of its statements, that the security was valued at the original purchase price and that the price shown was for information purposes only. After March 31, 1991, the statement was amended to read that "the original cost may not represent the current market value."

NOTE: A copy of Exhibit A 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. SEC930107
NOVEMBER 3, 1993

APPLICATION OF
THE INTERNATIONAL PENTECOSTAL HOLINESS CHURCH EXTENSION LOAN 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 October 27, 1992, with exhibits attached thereto as subsequently amended, of The International Pentecostal Holiness Church Extension Loan Fund, Inc. (the "Fund"), requesting that the securities that the Fund proposes to issue be exempted from the securities registration requirements of the Securities Act (Code of Virginia (1950), Title 13.1, Chapter 5) and that the Fund's officers 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: The Fund is a not-for-profit corporation organized under the laws of the State of Oklahoma exclusively for charitable, benevolent, religious, educational or scientific purposes; the Fund intends to offer and sell Savings Certificates and Fixed Rate Certificates in an approximate aggregate amount of $9,000,000 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 the Fund's officers who will not be compensated for their sales efforts.

THE COMMISSION, based on the facts asserted by the Fund 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 Fund's officers be, and they hereby are, exempted from the agent registration requirements of said Act.

CASE NO. SEC930115
NOVEMBER 4, 1993

APPLICATION OF
FOURTH FINANCIAL CORPORATION

For an official interpretation pursuant to Va. Code § 13.1-525

OFFICIAL INTERPRETATION

THIS MATTER came before the Commission for consideration upon the letter-application dated August 27, 1993, with exhibit, of Fourth Financial Corporation ("Applicant") filed under Va. Code § 13.1-525 by its counsel and upon payment of the requisite fee. Applicant has requested a determination that the securities transactions described below are exempted from the securities, broker-dealer and agent registration requirements of the Securities Act of Virginia pursuant to Va. Code § 13.1-514 B 15 (1993). The pertinent information contained in the application is summarized as follows:

Applicant is a corporation organized under the laws of the State of Kansas and is registered as a bank holding company pursuant to the Bank Holding Company Act of 1956. Applicant intends to enter into a merger pursuant to the laws of the States of Kansas and Oklahoma whereby Western National Bancorporation, Inc. ("WNB"), an Oklahoma corporation and a registered bank holding company, will merge with and into Applicant. In addition, WNB's subsidiary, Western National Bank of Tulsa, will merge with and into BANK IV Oklahoma, National Association, a wholly-owned subsidiary of Applicant. Upon consummation of the mergers, Applicant and BANK IV will be the surviving entities, and each share of WNB and Western National Bank of Tulsa capital stock will be converted into and exchanged for whole and fractional shares of common stock of Applicant, as set forth in the Agreement and Plan of Reorganization dated July 27, 1993.

Va. Code § 13.1-514 (1993) provides, in part:

> ....
>
> B. The following transactions are exempted from the securities, broker-dealer and agent registration requirements of this chapter. . . :
>
> ....
>
> 15. Any transaction incident to a . . . statutory . . . merger. . . .

THE COMMISSION, based upon the information supplied by Applicant, is of the opinion and finds that the foregoing proposed issuance of Applicant's stock will constitute transactions incident to a statutory merger. It is, therefore,

ORDERED that the transactions described above are exempted from the securities, broker-dealer and agent registration requirements of the Securities Act pursuant to Va. Code § 13.1-514 B 15 (1993).

CASE NO. SEC930117
NOVEMBER 19, 1993

APPLICATION OF
DALE CITY CHRISTIAN 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 September 13, 1993, with exhibits attached thereto, as subsequently amended, of Dale City Christian Church ("DCCC"), requesting that certain First Mortgage Bonds be exempted from the securities registration requirements of the Securities Act (Code of Virginia (1950), Title 13.1, Chapter 5) pursuant to Virginia Code § 13.1-514.1.B.

BASED UPON THE INFORMATION submitted, the following facts, in addition to others not enumerated herein, appear to exist: DCCC is an unincorporated Virginia organization operating not for private profit but exclusively for religious, educational and charitable purposes; DCCC intends to offer and sell First Mortgage Bonds in an approximate amount of $1,200,000.00 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 registered under the Securities Act.

THE COMMISSION, based on the facts asserted by DCCC in the written application and exhibits, is of the opinion and finds, and does hereby ADJUDGE AND ORDER that, pursuant to the provisions of Virginia 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 shall be offered or sold in Virginia only by broker-dealers who are so registered under the Securities Act.

CASE NO. SEC930118
NOVEMBER 19, 1993

APPLICATION OF
GRACE BRETHREN INVESTMENT FOUNDATION, 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 September 21, 1993, with exhibits attached thereto, of Grace Brethren Investment Foundation, Inc. (the "Foundation"), requesting that certain obligations of the Foundation, known as Investment Accounts, be exempted from the securities registration requirements of the Securities Act (Code of Virginia (1950), Title 13.1, Chapter 5) pursuant to Virginia Code § 13.1-514.1.B.

BASED UPON THE INFORMATION submitted, the following facts, in addition to others not enumerated herein, appear to exist: the Foundation is a not-for-profit corporation organized and operated under the laws of the State of Indiana exclusively for religious purposes; the Foundation is exempt from federal income tax pursuant to Section 501(c)(3) of the Internal Revenue Code; and, the Foundation intends to offer and sell Investment Accounts in an approximate aggregate amount of five hundred thousand dollars ($500,000.00) subject to conditions which are more fully described in the Prospectus submitted with the written application.

THE COMMISSION, based on the facts asserted by the Foundation in the written application and exhibits, is of the opinion and finds, and does hereby ADJUDGE AND ORDER that the securities described above be, and they hereby are, exempted from the securities registration requirements of the Securities Act pursuant to the provisions of Virginia Code § 13.1-514.1.B and shall be offered or sold in Virginia only by broker-dealers or agents who are so registered under the Securities Act.

CASE NO. SEC930123
DECEMBER 14, 1993

APPLICATION OF
WELS CHURCH EXTENSION 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 September 22, 1993, with exhibits attached thereto, of WELS Church Extension Fund, Inc. ("WELS CEF"), requesting that certain Loan Certificates and Savings Certificates (together, the "Debt Securities") be exempted from the securities registration requirements of the Securities Act (Code of Virginia (1950), Title 13.1, Chapter 5) pursuant to Virginia Code § 13.1-514.1.B.

BASED UPON THE INFORMATION submitted, the following facts, in addition to others not enumerated herein, appear to exist: WELS CEF is a not-for-profit corporation organized and operated under the laws of the State of Wisconsin exclusively for religious, educational and charitable purposes; WELS CEF intends to offer and sell Debt Securities in an approximate aggregate amount of twenty-one million dollars ($21,000,000) subject to conditions which are more fully described in the Offering Circular submitted with the written application; and, the Debt Securities will be offered and sold in Virginia by agents of WELS CEF who are registered under the Securities Act.

THE COMMISSION, based on the facts asserted by WELS CEF in the written application and exhibits, is of the opinion and finds, and does hereby ADJUDGE AND ORDER that the securities described above be, and they hereby are, exempted from the securities registration requirements of the Securities Act pursuant to the provisions of Virginia Code § 13.1-514.1.B and shall be offered or sold in Virginia only by broker-dealers or agents who are so registered under the Securities Act.

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 1992 and 1993.

VIRGINIA CORPORATIONS

	1992	1993
Certificates of Incorporation issued	16,936	17,216
Corporations voluntarily terminated	1,090	962
Corporations involuntarily terminated	177	928
Corporations automatically terminated	14,501	12,340
Reinstatements of terminated corporations	1,831	2,026
Charters amended	2,801	2,616
Active Stock Corporations	116,659	120,182
Active Non-Stock Corporations	21,285	22,146
Total Active Virginia Corporations	137,944	142,328

FOREIGN CORPORATIONS

Certificates of Authority to do business in Virginia issued	3,346	3,493
Voluntary withdrawals from Virginia	451	384
Certificates of Authority automatically revoked	2,599	2,104
Certificates of Authority involuntarily revoked	33	12
Reentry of corporations with surrendered or revoked certificates	433	338
Charters amended	978	945
Active Stock Corporations	24,961	25,862
Active Non-Stock Corporations	1,478	1,555
Total Active Foreign Corporations	26,439	27,417
Total Active (Foreign and Domestic) Corporations	164,383	169,745

LIMITED PARTNERSHIPS

Limited Partnership Certificates filed	1,288	1,233
Limited Partnership Certificates amended	1,594	687
Limited Partnership Certificates cancelled	328	348
Total active Limited Partnerships	8,305	9,087

LIMITED LIABILITY COMPANIES

Articles of Organization filed	690	1,733
Articles of Organization Amended	53	57
Articles of Organization Cancelled	9	39
Total Active Limited Liability Companies	833	2,518

MOTOR CARRIER DIVISION

BROKERS' LICENSES ISSUED DURING 1993

Name	Location	Certificate Number
Spectrum of Richmond, Inc.	Richmond, Virginia	B-152
Conference Center Interests, Inc.	Chantilly, Virginia	B-151
Indian River Sports Travel, Inc.	Virginia Beach, Virginia	B-150
9 Fingers Transportation, Inc.	Richmond, Virginia	B-149
Mount Vernon Travel, Inc.	Alexandria, Virginia	B-148

Jett Enterprises, Inc.	Woodbridge, Virginia	B-147
Great Atlantic Travel and Tour, Inc.	Virginia Beach, Virginia	B-146

COMMON CARRIERS OF PASSENGERS BY MOTOR VEHICLE

Certificates of Public Convenience and Necessity issued during 1993

Name	Location	Certificate Number
James River Bus Lines, Regular Route	Richmond, Virginia	P-2598
George E. Gray, Jr. & Co. Irregular Route	Ashland, Virginia	P-2597

EXECUTIVE SEDAN CARRIERS

Certificates of Public Convenience and Necessity issued during 1993

Name	Location	Certificate Number
Mark B. Linebaugh, t/a British Jaguar Sedan Service	Arlington, Virginia	XS-103
Jeffery M. Field, t/a Ace Limousine Service	Richmond, Virginia	XS-102
Thomas A. Goad	Arlington, Virginia	XS-101
Silver Bullet Sedans, Inc.	Falls Church, Virginia	XS-100
Mohammad Ghannam	Fairfax, Virginia	XS-99
Dulles Airport Loudoun Taxi and Limousine, Inc.	Washington, D.C.	XS-98
Ultimate Limousine Inc.	Manassas, Virginia	XS-97
Go-Fer Services, Inc.	Richmond, Virginia	XS-96
Christopher D. Baker	Arlington, Virginia	XS-95
V.I.P. & Celebrity Limousines, Inc.	Williamsburg, Virginia	XS-94
Alia International Services, Inc., t/a Limo Express	Alexandria, Virginia	XS-93
Gulfstream Limousine Company	Alexandria, Virginia	XS-92
Dulles Airport Transportation, Inc.	Sterling, Virginia	XS-91
James C. and Gene N. Herndon, t/a JMS Sedan Service	Burke, Virginia	XS-90
Thomas Summakie	Gainesville, Virginia	XS-89
Lincoln Sedan, Inc.	Arlington, Virginia	XS-88
Services International, Inc.	Vienna, Virginia	XS-87
Stafford Limousine, Inc.	Richmond, Virginia	XS-86
Mazen M. Omary	Falls Church, Virginia	XS-85
James M. Garrison, t/a James Limousine Transportation	Glen Allen, Virginia	XS-84
Dulles Taxi, Sedan & Limo Co.	Centreville, Virginia	XS-83
Seon Kyu Lee	Fairfax, Virginia	XS-82
Norlando Navarro Mendiola	Fairfax, Virginia	XS-81
James W. Basil, Sr. and Margaret H. Basil	Sterling, Virginia	XS-80
Myles Executive Sedan Services, Inc.	Alexandria, Virginia	XS-79
International Limousine Service, Inc.	Baltimore, Maryland	XS-78
Escort Limousine Service, Inc.	Reston, Virginia	XS-77
Elite Limousine Service, Inc.	Fairfax, Virginia	XS-76
Sayed A. El-Hamalawy	Falls Church, Virginia	XS-75
Nasser Nemr Hasaballa, d/b/a Alpha Executive Sedan	Falls Church, Virginia	XS-74

HOUSEHOLD GOODS CARRIERS

Certificates of Public Convenience and Necessity issued during 1993

Name	Location	Certificate Number
Greenbush Service Co.	Greenbush, Virginia	HG-478
Mac's Moving and Storage, Inc.	Forest, Virginia	HG-477

LIMOUSINE CARRIERS

Certificates of Public Convenience and Necessity issued during 1993

Name	Location	Certificate Number
Leo Jay Strickler	Luray, Virginia	LM-272
Celebrity Limousine of Lee County, Inc.	Pennington Gap, Virginia	LM-271

Ultimate Limousine Inc.	Manassas, Virginia	LM-270
National Tour Services, Ltd., t/a Red Carpet Limousine Service	Staunton, Virginia	LM-269
Wadsworth Limousine, Inc.	Arlington, Virginia	LM-268
Calvin E. Walker, Sr.	Richmond, Virginia	LM-267
Tyrone Powell, t/a Excel Limousine Service	Richmond, Virginia	LM-266
Robert J. Shifflett, t/a Dulles Limousine Service	Manassas Park, Virginia	LM-265
Nite Life Marina, Inc.	Virginia Beach, Virginia	LM-264
Northern Virginia Sedan Service, Inc.	Springfield, Virginia	LM-263
Fisseha Geda	Springfield, Virginia	LM-262
Heritage Limousine Company	Richmond, Virginia	LM-261
East Coach Limousine Service, Inc.	Virginia Beach, Virginia	LM-260
Lorraine T. Smith, t/a "Joy Ride"	Portsmouth, Virginia	LM-259
1-Mill Unlimited, Inc., d/b/a Esquire Limousine	Virginia Beach, Virginia	LM-258
Mark Schman, t/a Coach Royal Limousine Service	Springfield, Virginia	LM-257
Dan O. Mays, t/a Ace Limousine Service	Saluda, Virginia	LM-256
Rickshaw, Inc.	Alexandria, Virginia	LM-255
Bruce Raphael Richardson, t/a Image Limousine Services	Greenbelt, Maryland	LM-254
Land Yachts, L.C.	Norfolk, Virginia	LM-253
Promenade Limousine Service, Ltd.	Virginia Beach, Virginia	LM-252
Jay & Jay Investments, Inc.	Fairfax, Virginia	LM-251
Jeffrey M. Field	Richmond, Virginia	LM-250
Blue Ridge Limousine and Tour Service, Inc.	Arlington, Virginia	LM-249
Michael T. Fumarola and George L. Blocher	Virginia Beach, Virginia	LM-247
A-American Royal Limousine Service, Inc.	Springfield, Virginia	LM-246
Anthony W. Kirk	Alexandria, Virginia	LM-245

PETROLEUM TANK TRUCK CARRIERS

Certificates of Public Convenience and Necessity issued during 1993

Name	Location	Certificate Number
Transport South of Virginia, Inc.	Richmond, Virginia	K-141
Transport South of Virginia, Inc.	Richmond, Virginia	K-140

RESTRICTED PARCEL CARRIERS

Certificates of Public Convenience and Necessity issued during 1993

Name	Location	Certificate Number
Roadway Package System, Inc.	Coraopolis, Pennsylvania	RPC-9

SIGHT-SEEING AND CHARTER PARTY CARRIERS BY BOAT

Certificates of Public Convenience and Necessity issued during 1993

Name	Location	Certificate Number
Nancy Anne Charters, Inc.	Virginia Beach, Virginia	SS-W-49
Todd Marine Enterprises, Inc.	Norfolk, Virginia	SS-W-48
Ryals-Jordan, Inc.	Moneta, Virginia	SS-W-47

SPECIAL OR CHARTER PARTY CARRIERS

Certificates of Public Convenience and Necessity issued during 1993

Name	Location	Certificate Number
Audrey Savage and Harrison Savage	Atlantic, Virginia	B-406
Bon Air Transit Company, t/a Virginia Overland Charter Service	Richmond, Virginia	B-405
Courtesy Motor Coach Incorporated	Lynchburg, Virginia	B-404

COMPARISON OF REVENUES DEPOSITED BY THE CLERK'S OFFICE FOR THE FISCAL YEARS ENDING JUNE 30, 1992 AND JUNE 30, 1993

General Fund	1992	1993	Difference
Security Registration Fee	$11,125.00	$12,100.00	+$975.00
Charter Fees	1,144,855.60	1,224,376.40	+79,520.80
Entrance Fees	1,042,217.40	1,006,512.20	-35,705.20
Filing Fees	709,314.00	714,300.00	+4,986.00
Registered Name	1,829.00	1,296.00	-533.00
Registered Office and Agent	180,160.00	173,310.00	-6,850.00
Service of Process	34,320.00	30,540.00	-3,780.00
Copy & Recording Fees	258,963.52	258,261.00	-702.52
Annual Report Publication	2,392.45	7,835.00	+5,442.55
Uniform Commercial Code Revenues	850,173.72	827,462.01	-22,711.71
Excess Fees Paid into State Treasury	0.00	103,685.76	+103,685.76
TOTAL	$4,235,350.69	$4,359,678.37	+$124,327.68
Special Fund			
Domestic-Foreign	$12,841,419.16	$13,153,409.56	+$311,990.40
Limited Partnership Registration Fee	294,475.00	319,450.00	+24,975.00
Reserved Name - Limited Partnership	36,845.00	27,465.00	-9,380.00
Certificate Limited Partnership	92,310.00	108,900.00	+16,590.00
Registration Fee LLC	0.00	15,950.00	+15,950.00
Application for Reg. LLC	0.00	400.00	+400.00
Application Reg. Foreign L. P.	16,700.00	21,500.00	+4,800.00
Art of Org Dom. LLC	35,501.00	123,175.00	+87,674.00
AJD, CANC, CORR, RAC, Etc. LLC	630.00	3,436.00	+2,806.00
SCC Bad Check Fee	5,444.50	5,729.10	+284.60
Interest on Del. Tax	1.50	26.00	+24.50
Penalty on Non-Pay Taxes by Due Date	349,503.39	435,301.50	+85,798.11
Miscellaneous Revenue	158,817.22	50,189.54	-108,627.68
TOTAL	$13,831,646.77	$14,264,931.70	+$433,284.93
Valuation Fund			
Recovery of Copy & Cert. Fee	$386.50	$4,219.50	+$3,833.00
Recovery of Prior year Expenses	70,807.00	6,782.54	-64,024.46
TOTAL	$71,193.50	$11,002.04	-$60,191.46
Motor Carrier Special Fund			
SCC Bad Chk. Fee	$15.00	0.00	-$15.00
Recovery of Prior Year Expenses	10.00	0.00	-10.00
TOTAL	$25.00	$0.00	-$25.00
Trust & Agency Fund			
Fines Imposed by SCC	$395,500.00	$215,851.76	-$179,648.24
TOTAL	$395,500.00	$215,851.76	-$179,648.24
Federal Funds			
Receipt of Agency Indirect Cost of Grant/Contract Administration	$40,542.39	$35,038.00	-$5,504.39
Gas Pipeline Safety	189,404.05	120,395.00	-69,009.05
TOTAL	$229,946.44	$155,433.00	-$74,513.44
GRAND TOTAL	$18,763,662.40	$19,006,896.87	+$243,234.47

COMPARISON OF FEES COLLECTED BY THE BUREAU OF FINANCIAL INSTITUTIONS FOR FISCAL YEARS ENDING JUNE 30, 1992 AND 1993

	1991/92	1992/93
Banks	$5,392,902	$4,476,407
Savings Institutions	227,496	158,830
Consumer Finance Licensees	863,797	715,841

Credit Unions	421,083	377,025
Trust Subsidiaries	61,969	98,822
Industrial Loan Associations	25,696	20,794
Money Order Sellers Licensees	4,950	5,050
Debt Counseling Agency Licensees	4,200	3,900
Mortgage Lenders and Brokers	610,213	799,811
Miscellaneous Collections	9,827	29,867
TOTAL	$7,622,133	$6,686,347

COMPARISON OF FEES AND TAXES COLLECTED BY THE BUREAU OF INSURANCE FOR THE FISCAL YEARS ENDING JUNE 30, 1992 AND JUNE 30, 1993

Kind	1992	1993	Increase or (Decrease)
General Fund			
Gross Premium Taxes of Insurance Companies	$174,768,942.00	$180,304,705.00	$5,535,763.00
Fraternal Benefit Societies Licenses	520.00	520.00	0.00
Hospital, Medical, and Surgical Plans & Salesmen's Licenses	61,430.00	59,630.00	(1,800.00)
Interest on Delinquent Taxes	14,999.00	124,531.00	109,532.00
Penalty on non-payment of taxes by due date	234,270.00	199,523.00	(34,747.00)
Special Fund			
Company License Application Fee	18,500.00	14,000.00	(4,500.00)
Prepaid Legal Service License Fee	0.00	0.00	0.00
Health Maintenance Organization License Fee	1,000.00	500.00	(500.00)
Automobile Club/Agent Licenses	8,670.00	7,366.00	(1,304.00)
Insurance Premium Finance Companies Licenses	13,200.00	11,900.00	(1,300.00)
Agents Appointment Fees	4,903,763.00	5,065,260.00	161,497.00
Surplus Lines Broker Licenses	13,850.00	14,825.00	975.00
Agents License Application Fees	224,505.00	249,555.00	25,050.00
Recording, Copying, and Certifying Public Records Fee	20,556.00	32,360.00	11,804.00
Assessments To Insurance Companies for Maintenance of the Bureau of Insurance	7,485,088.00	7,169,984.00	(315,104.00)
Miscellaneous Revenues	10,368.00	164.00	(10,204.00)
Recovery of Prior Year Expenses	19,339.00	120,994.00	101,655.00
Fire Programs Fund	8,226,218.00	8,367,674.00	141,456.00
Licensing P&C Consultants	34,650.00	35,000.00	350.00
SCC Bad Check Fee	50.00	75.00	25.00
Fines imposed by State Corporation Commission	634,897.00	616,403.00	(18,494.00)
Private Reveiw Agents	31,000.00	24,500.00	(6,500.00)
Flood Assessment Fund	72,159.00	86,178.00	14,019.00
Heat Assessment Fund	657,233.00	679,194.00	21,961.00
Reinsurance Intermediary Brokers Fees	0.00	1,000.00	1,000.00
Bank Conversion Investigation Fee	0.00	3,000.00	3,000.00
State Publication Sales	0.00	150.00	150.00
TOTAL	$197,455,207.00	$203,188,991.00	$5,733,784.00

COMPARISON OF FEES AND TAXES COLLECTED FROM MOTOR VEHICLE CARRIERS FOR THE YEARS ENDING DECEMBER 31, 1992 AND DECEMBER 31, 1993

Kind	1992	1993	Increase or (Decrease)
Motor Fuel Road Tax	$25,023,787.69	$24,665,772.39	-$358,015.30
Registration Fees	7,185,115.00	5,340,156.87	-1,844,958.13
TOTAL	$32,208,902.69	$29,120,878.39	-$2,202,973.43

COMPARISON OF ASSESSMENT OF PUBLIC SERVICE COMPANIES FOR THE YEARS 1992 AND 1993

Class of Company	Value of all Taxable Property Including Rolling Stock 1992	1993	Increase or (Decrease)
Electric Light & Power Corporations	$11,947,166,991.00	$12,840,715,240.00	$893,548,249.00
Gas Corporations	758,512,591.00	861,231,212.00	102,718,621.00
Motor Vehicle Carriers (Rolling Stock only)	75,385,157.31	74,683,509.11	(701,648.20)
Telecommunications Companies	6,008,806,813.00	6,311,149,429.00	302,342,616.00
Water Corporations	96,825,749.00	101,933,695.00	5,107,946.00
TOTAL	$18,886,697,301.31	$20,189,713,085.11	$1,303,015,783.80

COMPARISON OF ASSESSMENT OF STATE TAXES OF PUBLIC SERVICE COMPANIES FOR THE YEARS 1992 AND 1993

Class of Company	The Yearly License Tax 1992	1993	Increase or (Decrease)
Electric Light & Power Corporations	$84,168,648.87	$81,148,343.34	($3,020,305.53)
Gas Corporations	10,805,114.75	11,899,268.58	1,094,153.83
Water Corporations	637,940.69	658,402.15	20,461.46
TOTAL	$95,611,704.31	$93,706,014.07	($1,905,690.24)

COMPARISON OF ASSESSMENT OF ADDITIONAL ANNUAL STATE TAX FOR VALUATION AND RATE MAKING OF CERTAIN CLASSES OF UTILITY COMPANIES FOR THE YEARS 1992 AND 1993

Class of Company	1992	1993	Increase or (Decrease)
Electric Light & Power Corporations	$5,153,263.76	$4,710,175.83	($443,087.93)
Gas Corporations	594,281.29	595,293.73	1,012.44
Motor Vehicle Carriers	63,357.52	53,741.18	(9,616.34)
Railroad Companies	587,278.17	577,936.93	(9,341.24)
Telecommunications Companies	2,430,021.26	2,312,430.31	(117,590.95)
Virginia Pilots Association	13,006.21	11,964.49	(1,041.72)
Water Corporations	35,086.76	32,920.14	(2,166.62)
TOTAL	$8,876,294.97	$8,294,462.61	($581,832.36)

Railroad Companies assessed at seven-hundredths of one percent and all other companies at one-tenth of one percent.

COMPARATIVE STATEMENT OF ASSESSED VALUES OF PROPERTIES OF PUBLIC SERVICE COMPANIES AS ASSESSED BY THE STATE CORPORATION COMMISSION

Cities	1992	1993	Increase or Decrease
Alexandria	$470,660,665	$464,280,290	($6,380,375)
Bedford	7,117,921	7,648,119	530,198
Bristol	8,454,384	10,091,715	1,637,331
Buena Vista	7,190,838	8,871,814	1,680,976
Charlottesville	81,630,583	84,451,821	2,821,238
Chesapeake	579,102,887	588,141,861	9,038,974
Clifton Forge	7,358,512	7,584,971	226,459

Colonial Heights	21,882,237	22,422,945	540,708
Covington	16,337,589	15,309,931	(1,027,658)
Danville	42,474,453	42,687,590	213,137
Emporia	17,838,204	17,891,175	52,971
Fairfax	78,268,744	82,790,408	4,521,664
Falls Church	15,797,942	17,631,883	1,833,941
Franklin	8,369,891	8,849,528	479,637
Fredericksburg	43,240,575	44,256,819	1,016,244
Galax	10,179,470	10,222,419	42,949
Hampton	206,556,260	217,950,164	11,393,904
Harrisonburg	30,491,703	33,440,894	2,949,191
Hopewell	59,555,978	65,399,950	5,843,972
Lexington	10,005,960	10,288,354	282,394
Lynchburg	127,385,758	132,041,092	4,655,334
Manassas	51,135,157	52,121,656	986,499
Manassas Park	7,407,138	8,121,435	714,297
Martinsville	21,055,163	24,997,232	3,942,069
Newport News	271,386,011	285,386,752	14,000,741
Norfolk	402,397,507	434,549,628	32,152,121
Norton	22,752,420	23,662,105	909,685
Petersburg	69,743,678	72,461,517	2,717,839
Poquoson	9,032,795	9,913,738	880,943
Portsmouth	127,890,145	131,878,581	3,988,436
Radford	15,167,580	13,861,853	(1,305,727)
Richmond	633,965,200	611,955,267	(22,009,933)
Roanoke	168,046,349	179,541,327	11,494,978
Salem	20,160,681	22,056,542	1,895,861
South Boston	14,274,475	14,208,183	(66,292)
Staunton	42,036,386	43,089,746	1,053,360
Suffolk	96,558,552	109,078,316	12,519,764
Virginia Beach	534,429,027	564,559,041	30,130,014
Waynesboro	28,672,259	30,744,993	2,072,734
Williamsburg	30,622,727	32,146,351	1,523,624
Winchester	40,129,774	41,556,934	1,427,160
Total Cities	$4,456,763,578	$4,598,144,940	$141,381,362

COMPARATIVE STATEMENT OF ASSESSED VALUES OF PROPERTIES OF PUBLIC SERVICE COMPANIES AS ASSESSED BY THE STATE CORPORATION COMMISSION

Counties	1992	1993	Increase or Decrease
Accomack	$67,478,049	$64,563,247	($2,914,802)
Albemarle	147,169,838	158,353,739	11,183,901
Alleghany	33,779,103	33,416,761	(362,342)
Amelia	14,044,726	12,595,746	(1,448,980)
Amherst	46,149,270	47,785,897	1,636,627
Appomattox	19,231,977	19,766,014	534,037
Arlington	756,549,039	787,265,280	30,716,241
Augusta	109,209,595	134,620,077	25,410,482
Bath	1,480,741,813	1,589,629,603	108,887,790
Bedford	108,466,591	104,340,403	(4,126,188)
Bland	10,184,805	10,997,114	812,309
Botetourt	61,660,967	87,923,476	26,262,509
Brunswick	23,461,470	25,200,468	1,738,998
Buchanan	41,951,070	50,725,084	8,774,014
Buckingham	26,304,736	31,754,268	5,449,532
Campbell	102,744,979	105,565,190	2,820,211
Caroline	50,772,447	60,135,374	9,362,927
Carroll	48,739,960	51,872,666	3,132,706
Charles City	22,831,157	25,964,418	3,133,261
Charlotte	21,224,385	21,466,956	242,571
Chesterfield	1,038,088,405	1,072,855,304	34,766,899
Clarke	18,859,499	21,160,498	2,300,999
Craig	7,244,388	7,491,966	247,578
Culpeper	46,304,098	74,208,337	27,904,239
Cumberland	19,675,385	19,453,194	(222,191)

Dickenson	32,687,417	35,168,624	2,481,207
Dinwiddie	55,738,218	54,572,211	(1,166,007)
Essex	17,202,442	18,480,499	1,278,057
Fairfax	1,756,427,209	1,884,368,753	127,941,544
Fauquier	101,411,576	116,216,883	14,805,307
Floyd	21,497,266	22,715,138	1,217,872
Fluvanna	94,837,408	89,821,212	(5,016,196)
Franklin	72,195,926	71,391,262	(804,664)
Frederick	148,282,738	154,981,419	6,698,681
Giles	91,420,529	91,435,542	15,013
Gloucester	54,642,701	60,176,903	5,534,202
Goochland	30,264,540	40,900,837	10,636,297
Grayson	21,848,185	23,344,899	1,496,714
Greene	14,336,792	15,548,217	1,211,425
Greensville	17,189,468	17,753,365	563,897
Halifax	199,853,442	397,049,214	197,195,772
Hanover	195,465,084	196,174,711	709,627
Henrico	550,145,367	585,312,121	35,166,754
Henry	70,218,177	84,635,786	14,417,609
Highland	12,601,946	11,337,283	(1,264,663)
Isle of Wight	65,646,565	69,385,575	3,739,010
James City	100,424,781	106,385,968	5,961,187
King George	25,477,961	27,647,780	2,169,819
King and Queen	10,136,180	12,035,303	1,899,123
King William	16,975,311	24,056,777	7,081,466
Lancaster	22,618,457	24,693,779	2,075,322
Lee	50,324,592	51,497,589	1,172,997
Loudoun	262,125,023	275,888,847	13,763,824
Louisa	1,606,047,084	1,713,966,145	107,919,061
Lunenburg	19,809,705	19,676,964	(132,741)
Madison	18,560,167	20,946,862	2,386,695
Mathews	11,273,228	18,058,750	6,785,522
Mecklenburg	70,085,271	72,281,790	2,196,519
Middlesex	23,477,693	22,805,346	(672,347)
Montgomery	88,326,902	85,238,567	(3,088,335)
Nelson	38,837,977	37,179,891	(1,658,086)
New Kent	29,762,392	36,406,074	6,643,682
Northampton	18,284,854	29,132,740	10,847,886
Northumberland	13,155,435	14,750,396	1,594,961
Nottoway	23,042,551	24,078,340	1,035,789
Orange	54,138,470	52,566,426	(1,572,044)
Page	25,645,357	39,904,674	14,259,317
Patrick	26,690,947	28,411,412	1,720,465
Pittsylvania	110,563,741	113,080,996	2,517,255
Powhatan	31,717,890	33,005,842	1,287,952
Prince Edward	28,378,861	27,761,043	(617,818)
Prince George	34,048,282	37,565,645	3,517,363
Prince William	744,999,137	759,611,077	14,611,940
Pulaski	72,214,929	71,404,199	(810,730)
Rappahannock	16,875,560	17,806,396	930,836
Richmond	33,750,047	35,156,454	1,406,407
Roanoke	127,620,274	131,657,857	4,037,583
Rockbridge	53,815,876	54,208,753	392,877
Rockingham	85,579,814	95,510,407	9,930,593
Russell	151,556,971	156,438,695	4,881,724
Scott	30,051,102	31,111,683	1,060,581
Shenandoah	60,949,280	67,035,406	6,086,126
Smyth	59,301,111	60,226,803	925,692
Southampton	31,778,572	34,304,312	2,525,740
Spotsylvania	133,265,968	145,208,473	11,942,505
Stafford	104,563,168	114,556,745	9,993,577
Surry	1,190,306,075	1,347,311,246	157,005,171
Sussex	22,297,078	25,849,569	3,552,491
Tazewell	57,723,953	60,687,912	2,963,959
Warren	34,195,512	36,592,604	2,397,092
Washington	52,456,593	61,812,237	9,355,644
Westmoreland	21,281,181	25,018,022	3,736,841

Wise	61,058,149	61,856,058	797,909
Wythe	61,868,759	64,870,132	3,001,373
York	440,329,597	449,744,116	9,414,519
Total Counties	$14,354,548,566	$15,516,884,636	$1,162,336,070
Total Cities & Counties	$18,811,312,144	$20,115,029,576	$1,303,717,432

COMPARISON OF FEES COLLECTED BY THE DIVISION OF SECURITIES AND RETAIL FRANCHISING FOR THE YEARS ENDING DECEMBER 31, 1992 AND DECEMBER 31, 1993

Kind	1992	1993	Increase or (Decrease)
Securities Act	$3,950,860	$4,715,165	$764,305
Retail Franchising Act	193,880	277,100	83,220
Trademarks-Service Marks	17,240	16,950	(290)
Fines	274,681	779,853	505,172
TOTAL	$4,436,661	$5,789,068	$1,352,407

PROCEEDINGS BY DIVISIONS DURING THE YEAR 1993

DIVISION OF PUBLIC UTILITY ACCOUNTING

The following statistical data summarizes Rate Cases, Certificate Cases, Annual Informational Filings, Allocation/Separations Studies, Fuel Audits, Compliance Audits, and Special Studies made by the Division of Public Utility Accounting for the year 1993.

General Rate Cases	
Electric Companies (Investor Owned)	4
Electric Cooperatives	0
Gas Companies	2
Telephone Companies	0
Water & Sewer Companies	4
Miscellaneous	0
Total General Rate Cases	10
Expedited Rate Cases	
Electric Companies	0
Electric Cooperatives	2
Gas Companies	1
Telephone Companies	0
Water & Sewer Companies	1
Total Expedited Rate Cases	4
Certificate Cases	
Water & Sewer Companies	7
Annual Informational Filings	
Report Only	
Electric Companies	0
Gas Companies	2
Telephone Companies	4
Water & Sewer Companies	0
Total Annual Informational Filings	6
Annual Informational Filing/Rate Case	
Gas Companies	1
Allocation/Separations Studies	
Electric	0
Gas	0
Telephone	4
Total Allocation/Separations Studies	4
Fuel Audits - Electric Companies	1
Compliance Audits	5
Special Studies	6

During the year 1993 the Division of Public Utility Accounting received applications filed under the Public Utilities Affiliates Law and the 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 Transfers Act Cases:	
Transfer of assets	5
Transfer of securities or control	1
Number of Affiliates Act Cases:	
Service Agreements	10
Lease Agreements	4
Gas Purchases/Supply	3
Sale of Property/Service	2
Advances of Funds	2
Aircraft Agreements	1
Total Number of Cases	28

The Commission's Division of Public Utility Accounting consisted of the following personnel on December 31, 1993:

Filled Positions	Vacant Positions	Description Positions
1		Director
2		Deputy Directors
1		Manager of Audits
1		Administrative Manager, Public Utilities
1		Administrative Manager
1		Systems Manager
1		Senior Office Secretary
1		Senior Office Technician
6		Principal Public Utility Accountant
4	1	Senior Public Utility Accountant
4		Public Utility Accountant
6	1	Associate Public Utility Accountant
29	2	Total Authorized 31

DIVISION OF COMMUNICATIONS

The Division of Communications assists the Commission by monitoring, enforcing and making recommendations on all rates, tariffs, and operating procedures of communications utilities, specifically telephone, cellular, and radio common carrier utilities. The Division enforces service standards, assures compliance with tariff regulations, and prescribes depreciation rates. The staff testifies in rate and service 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.

SUMMARY OF 1993 ACTIVITIES

Consumer complaints and protests investigated	2,211
Telephone inquiries received	1,250
Tariff revisions received	299
Tariff sheets filed	2,152
Cases in which staff members prepared testimony or reports	7
Number of staff testimonies or reports prepared	14
Certificates of Convenience and Necessity granted or amended	17
Depreciation studies completed	4
Extended Area Service studies completed or underway	20
Service Surveillance and Results Analysis Provided	
Monthly on:	
Access Lines	3,584,001
Switching Offices	436
Business Offices	17
Repair Centers	9
Visits to:	
Customer premises to resolve customer complaints	17
Company premises to resolve customer complaints	4
Company premises to review service performance	28
Company premises to inspect network reliability	8
Community meetings to resolve service issues	1
Construction Program reviews	6

OTHER:

Pursued various activities related to the Commission's experimental plan for regulating telephone companies, including:

- Reviewed, negotiated changes in, and coordinated implementing cost allocation manuals
- Assisted in auditing cost allocation studies
- Reviewed proposed service classifications for new services and reclassifications for existing services
- Assisted in gathering monitoring data
- Participated in its evaluation

Participated in matters affecting communications policy with federal agencies.

Assisted with reports to the legislature and with developing telecommunications legislation.

Staff members made presentations to trade groups, associations, and telephone companies.

Participated in matters affecting emergency 911 communications procedures with local government agencies and Virginia Telephone Association.

Initiated the registration process for private pay telephone providers consistent with the new SCC rules.

Initiated a pay telephone audit process to bring providers into compliance with new SCC rules.

Prepared two formal responses to Federal Communications Commission Public Notices.

Furnished annual verification information to the Federal Communications Commission to recertify eligibility for the Virginia Universal Service Plan, which provides assistance for low income telephone customers.

Participated in federal and state network reliability sessions and action planning.

Responded to questionnaires from NARUC and others with respect to telecommunications matters.

Assisted Commission counsel with respect to formal rate, service, or generic matters.

Reviewed construction budgets of major telephone companies for 1993-1996 period.

Staff members met with local governing bodies and citizens groups with respect to local calling areas and service problems.

Director reappointed to the NARUC Staff subcommittee on Communications.

Staff member reappointed to the NARUC Staff subcommittee on Depreciation.

Staff member reappointed to the NARUC Staff subcommittee on Cost Allocations.

Staff member reappointed to the NARUC Staff subcommittee on Service Quality.

Worked with Virginia Department for the Deaf and Hard of Hearing on monitoring of Telecommunications Relay Service in Virginia.

Processed one tariff filing to increase rates pursuant to the small investor-owned telephone utility act and rules.

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;
- analyzing and presenting testimony on capital structure, cost of capital, and other finance-related issues in utility cases;
- monitoring the financial condition of Virginia utilities;
- 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 quarterly economic and energy forecast reports;
- monitoring interLATA telecommunications competition;
- monitoring the local exchange companies participating in the Experimental Plan for Alternative Regulation;
- monitoring and maintaining files of electric utilities' Ten Year and Twenty Year 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 DURING 1993

- Presented testimony on capital structure, cost of capital and other financial issues in eight rate cases.
- Completed Annual Informational Filing reports for four telephone companies.
- Completed regular annual financing reviews for five electric and gas companies.
- Presented financial testimony in one fuel factor case and one gas company certificate case.
- Analyzed and processed 59 cases for utilities seeking authority to issue securities.
- Presented testimony on financial issues in a proceeding associated with the Energy Policy Act of 1992.
- Conducted audits of the actually competitive services for 1992 for each of the five local telephone companies in the Experimental Plan for Alternative Regulation.
- Prepared a report and presented testimony for the evaluation of the Experimental Plan for Alternative Regulation for local telephone companies.

- Prepared a report recommending appropriate cost/benefit tests to be used in evaluating electric and gas utility demand-side management programs.
- Presented testimony on rate design in Virginia Power's rate case.
- Prepared a comprehensive report addressing environmental issues in Virginia.
- Prepared a report on Old Dominion Electric Cooperative's request for exemption from the Commission's bidding rules.
- Sponsored a two-day workshop by the Regulatory Assistance Project.
- Prepared a report or testimony in filings by Virginia Power and Appalachian Power for approval of demand-side management programs.
- Prepared a report or testimony in two fuel factor proceedings.
- Prepared a report or testimony in three cogeneration rate proceedings.
- Converted the Fuel Price Index System from a mainframe-base version to a PC-based application.
- Developed a forecast of budget items for the Bureau of Insurance.
- Automated the Division's library system.

DIVISION OF ENERGY REGULATION

Activities for Calendar Year 1993

The Division of Energy Regulation assists the Commission in fulfilling its statutory responsibilities pursuant to Title 56, Chapter 10 of the Code of Virginia. In that effort, the Division provides expert testimony relative to cost of service/rate design issues for electric, gas, and water/sewer utilities operating in the state. The Division also provides expert testimony in certificate cases for service areas and major facility construction for these utilities. The Division has monitoring responsibilities relative to: the collection of gas costs by gas utilities, the incurrance of wholesale purchased power expenses by electric cooperatives, the recovery of fuel expenses by investor-owned electric utilities, and the oversight of major facility construction by the investor-owned utilities. The Division also administers programs for: gas pipeline safety, the resolution of consumer complaints/inquiries, and the maintenance of official records/maps of utility certificated areas.

SUMMARY OF 1993 ACTIVITIES

Consumer Complaints, Letters of Protest, and Inquires Received	2,182
Tariff Filings Received (including Purchased Gas Adjustments)	67
Tariff Sheets Filed	908
Gas Safety Inspections (Person Days)	386
Electric Fuel Adjustments and Electric Wholesale Power Cost Adjustments	164
Testimony and Reports Filed by Staff	50
Certificates of Public Convenience and Necessity Granted, Transferred, or Revised	13
Special Reports	19
Gas Accident Investigations and Incident Reports	26
Electric On-Site Construction Inspections	2

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, state chartered industrial loan associations, consumer finance licensees, money order seller licensees, mortgage lenders and brokers, and debt counseling agencies. With the exception of money order seller licensees, debt counseling agencies, and mortgage lender and brokers, each institution is examined at least twice every three years. Financial institutions domiciled outside of Virginia that have deposit taking subsidiaries within the Commonwealth are also subject to the Bureau's 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 775 applications for various certificates of authority as shown below:

APPLICATIONS RECEIVED AND/OR ACTED UPON
BY THE BUREAU OF FINANCIAL INSTITUTIONS IN 1993

New Banks	5
Bank Branches	57
Bank Main Office Relocations	2
Bank Branch Office Relocations	7
Bank EFT Facilities	9
Bank Mergers	3
Independent Trust Companies	2
Acquisitions Pursuant to Chapter 13 of Title 6.1	3
Acquisitions Pursuant to Chapter 15 of Title 6.1	7
New Savings Institutions	0
Savings Institution Branches	0
Acquisitions Pursuant to § 6.1-194.87 of the Virginia Code	0

Acquisitions Purusant to § 6.1-194.40 of the Virginia Code	3
Credit Union Mergers	1
New Consumer Finance Offices	37
Consumer Finance Other Business	69
Consumer Finance Office Relocations	22
New Mortgage Brokers	134
New Mortgage Lenders	40
New Mortgage Lenders and Brokers	24
Acquisitions Pursuant to § 6.1-416.1 of the Virginia Code	14
Mortgage Branches	190
Mortgage Office Relocations	142
New Money Order Sellers	4
New Debt Counseling Agency	0
Industrial Loan Association Relocations	0

At the end of 1993, there were under the supervision of the Bureau 124 banks with 1,094 branches, 34 Virginia bank holding companies, 6 non-Virginia bank holding companies owning Virginia banks, 4 savings institutions with 3 branches, 87 credit unions, 9 industrial loan associations, 33 consumer finance companies with 304 offices operating in Virginia, 23 money order sellers, 7 non-profit debt counseling agencies, 47 mortgage lenders with 291 offices, 253 mortgage brokers with 324 offices, and 153 mortgage lender and brokers with 400 offices.

DIVISION OF INSURANCE REGULATION
ACTIVITIES FOR THE FISCAL YEAR ENDING JUNE 30, 1993

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 1993 ACTIVITIES

New insurance companies licensed to do business in Virginia	36
Insurance company financial statements analyzed	4,147
Financial examinations of insurance companies conducted	53
Property and Casualty insurance rules, rates and form filings received	25,134
Life and Health insurance policy forms and rate filings received	13,357
Property and Casualty insurance complaints received	4,528
Life and Health insurance complaints received	4,263
Market conduct examinations completed by the Life and Health Division	8
Market conduct examinations completed by the Property and Casualty Division	10
Agent qualification examinations given	9,404
Insurance agents and agencies licensed	104,174
Property and Casualty insurance surplus lines affidavits processed	11,000

MOTOR CARRIER DIVISION - AUDITS
CALENDAR YEAR 1993

Regular Motor Fuel Road Tax Accounts Audited	548
Regular Motor Fuel Road Tax Accounts Assessed	332
Total Assessments Paid	$972,233.56
Total Court Cases Due to Assessments	16
Total Court Cases Due to Non-compliance	12
Commission Penalties in Court Cases	$10,650.00

Total Court Cases Due to No Records for Audit	9
Commission Penalties for No Records	$7,250.00
Total Accounts Audited for Refunds	534
Total Amount Refunded	$3,309,688.77
Total Accounts Refunded (Unaudited)	882
Total Amount Refunded	$2,039,480.73

NOTE: The same motor carrier may be included in both the "Total Accounts Audited for Refunds" category and the "Total Accounts Refunded Unaudited" category.

MOTOR CARRIER DIVISION - ENFORCEMENT
ANNUAL REPORT OF ACTIVITIES DURING 1993

Violations Handled through General District Courts	2,415
Fines Assessed by General District Courts	$101,903.00
Costs Assessed by General District Courts	$48,960.00
Reports Written on Commission Rule Violations	
22 Forms	1,044
Cases Processed (M and L)	1,075
Penalties Assessed	$195,827.92
Registration Receipts Issued	2,715
Fees Collected From Issuance of Receipts	$108,210.06
Complaints Investigated	265
Motor Carrier Insurance Expiration, Revocation, Suspension Investigations	6,698
Investigations for Other Divisions	6
Surveys of Holders of Certificates of Public Convenience and Necessity	303
Certificate Applicant Investigations	62
Vehicles Inspected	25,082
Proof of Operations Inspections (ED-40)	9,387
Division of Motor Vehicles License Sold Through Special Agents' Involvement	189
Fees Collected from these Transactions (A portion of these fees went to other IRP jurisdictions.)	$100,563.56
Apprehensions of Operators with Outstanding Commission Judgments (Red List Operators)	101
Monies Collected From Operators with Outstanding Commission Judgments	$63,563.26
Apprehensions of Operators with Outstanding Liquidated Damages	102
Monies Collected From Operators with Outstanding Liquidated Damages	$46,758.78

MOTOR CARRIER DIVISION - OPERATIONS
REGISTRATIONS AND COLLECTIONS 1993

Registrations Freight by Carriers and number of vehicles registered:

FREIGHT CARRIERS

Contract Carriers Non Bulk (CC)		2,901
Contract Carriers Non Bulk	- vehicles registered	19,736
Contract Carriers Bulk (CB)		6,319
Contract Carriers Bulk	- vehicles registered	9,942
Exempt Carriers Intrastate (E)		761
Exempt Carriers Intrastate	- vehicles registered	2,426
Common Carriers of Freight (F)		27
Common Carriers of Freight	- vehicles registered	3,864
Household Goods Carriers (G)		178
Household Goods Carriers	- vehicles registered	1,583
Petroleum Carriers (K)		72
Petroleum Carriers	- vehicles registered	1,078
ICC Regulated Interstate Carriers (M)		18,446
ICC Regulated Interstate Carriers	- vehicles registered	512,217

ICC Exempt Carriers (X)		4,007
ICC Exempt Carriers	- vehicles registered	10,747
Private Freight Carriers (V)		17,823
Private Freight Carriers	- vehicles registered	98,523
Rental Permitted Carriers (R)		38
Rental Permitted Carriers	- vehicles registered	694
Virginia Private Leased Carriers (L)		607
Virginia Private Leased Carriers	- vehicles registered	2,818

PASSENGERS CARRIERS

Common Carriers (A)		42
Common Carriers	- vehicles registered	2,664
Charter Party Carriers (P)		118
Charter Party Carriers	- vehicles registered	939
Sight-Seeing Carriers (S)		6
Sight-Seeing Carriers	- vehicles registered	9
Limousine Carriers (B)		179
Limousine Carriers	- vehicles registered	363
Executive Sedan Carriers (N)		90
Executive Sedan Carriers	- vehicles registered	238
Taxi Cab Carriers (T)		2,268
Taxi Cab Carriers	- vehicles registered	3,835
Intrastate Exempt Carriers (I)		21
Intrastate Exempt Carriers	- vehicles registered	140
Employee Haulers (H)		156
Employee Haulers	- vehicles registered	407
ICC Regulated Interstate Carriers (M)		1,850
ICC Regulated Interstate Carriers	-vehicles registered	8,812

TOTALS

Total Vehicles Registered	681,035
Total Registration Fees Collected	$5,340,156.87
Total Motor Fuel Road Taxes Collected	$24,665,772.39
Total Motor Fuel Road Taxes Accounts	46,195

RAILROAD REGULATION

The Division of Railroad Regulation investigates, at its own volition or upon complaint, rail service and 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 other rail tariff matters; and conducts inspection and surveillance of railroad 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 59.1-77 through 59.1-102.
Virginia Retail Franchising Act, Virginia Code Sections 13.1-557 through 13.1-574.

UNDER THE VIRGINIA SECURITIES ACT:

11	qualification applications received
1,832	coordination applications received
43	notification applications received
423	filings for exemption from registration (Reg. D)
1,483	broker-dealer registrations renewed and granted
59	broker-dealer registrations denied, withdrawn, and terminated
71,044	agent registrations renewed and granted
13,686	agent registrations denied, withdrawn, and terminated
1,054	investment advisor registrations renewed and granted
21	investment advisor registrations denied, withdrawn, and terminated
8,140	investment advisor representative registrations renewed and granted
599	investment advisor representative registrations denied, withdrawn and terminated
60	orders filing and/or canceling surety bonds
38	orders granting exemptions and/or official interpretations
16	orders for subpoena of records by banks, corporations, and individuals
13	orders of show cause
47	judgments of compromise and settlement
19	final order and/or judgment

UNDER THE VIRGINIA TRADEMARK AND SERVICE MARK ACT:

446	applications for trademarks and/or service marks approved, renewed, or assigned
90	applications for trademarks and/or service marks denied, abandoned, or withdrawn

UNDER THE VIRGINIA RETAIL FRANCHISING ACT:

1,158	franchise registration, renewal, or post-effective amendment applications received
195	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

	1992	1993
Financing/Subsequent Statements Filed	68,680	68,397
Federal Tax Liens/Subsequent Liens Filed	5,500	6,820
Requests Processed/Certificates Issued	16,000	15,017
Reels of Microfilmed Documents Sold	270	447

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LIST OF CASES ESTABLISHED IN 1993

BFI: BUREAU OF FINANCIAL INSTITUTIONS

BFI930001 Tidewater First Financial
To open a mortgage office at 10111 Krause Road, Suite 201, Chesterfield, VA

BFI930002 Cornerstone Mortgage Inc.
To open a mortgage office at 3900 Jermantown Road, Suite 300, Fairfax, VA

BFI930003 Lenders Financial Corporation
To relocate an office from 2102 Corporate Ridge Rd. to 8201 Greensboro Dr., McLean, VA

BFI930004 Chesapeake Financial Services
To relocate office from 201 Ridgely Avenue to 100 Ridgely Avenue, Annapolis, MD

BFI930005 Countrywide Funding Corp.
To open a mortgage office at 7918 Jones Branch Drive, McLean, VA

BFI930006 Amerifirst Mortgage Corp.
To open a mortgage office at 808 Moorefield Drive, Suite 119, Richmond, VA

BFI930007 Continental General Mortgage Company, Inc.
To open a mortgage broker's office at 10 Music Fair Road, Owings Mills, VA

BFI930008 Provident Finance Company of Virginia, Inc.
To conduct consumer finance and personal property insurance at several locations

BFI930009 Choice Mortgage Corporation
To relocate office from 469 Fortress Way, Occoquan, VA to 12658-B Lake Ridge, Lake Ridge, VA

BFI930010 Weyerhaeuser Mortgage Company
To relocate office from 7002 Little River Turnpike to 7617 Little River Turnpike, Annandale, VA

BFI930011 RBO Funding Inc.
To open a mortgage broker's office at 601 Twin Ridge Lane, Richmond, VA

BFI930012 National Credit Reports & Appraisal Services
To open a mortgage lender's office at several locations

BFI930013 First Guaranty Mortgage Corp.
To open a mortgage lender's office at 1800 Old Meadow Road, Suite 102, McLean, VA

BFI930014 Spectrum Financial Services
To acquire 100% of the ownership of Astrum Funding Corporation

BFI930015 McLean Mortgage Services Inc.
For mortgage lenders license at 10500 Miller Rd. and 2527 Hunter Mill Rd., Oakton, VA

BFI930016 1st Financial Mortgage Corp.
To relocate office from 1606 Santa Rosa Road to 8100 Three Chopt Rd., Richmond, VA

BFI930017 Citizens Mortgage Corporation
To relocate office from 1606 Santa Rosa Road to 8100 Three Chopt Rd., Richmond, VA

BFI930018 Homebuyers Equity Corporation
To relocate office from 12300 Twinbrook Parkway to 11900 Parklawn Dr., Rockville, MD

BFI930019 Mortgage Authority Inc., The
To open a mortgage lenders office at 1950 Old Gallows Road, Suite 101, Vienna, VA

BFI930020 Piedmont Credit Union
To establish a credit union facility at 411 Starling Avenue, Martinsville, VA

BFI930021 First Greensboro Home Equity
To establish a mortgage broker's office at 1009 South Scales Street, Reidsville, NC

BFI930022 C U Mortgage Centre Inc.
Petition seeking review of Commission's decision to deny license to engage in business as a mortgage lender

BFI930023 Ryland Mortgage Company
To relocate office from 10306 Eaton Place to 12150 E. Monument Dr., Fairfax, VA

BFI930024 NVR Mortgage L. P.
Alleged violation of VA Code § 6.1-413

BFI930025 1st Chesapeake Financial Corp.
To open a mortgage broker's office at 100 Ridgely Avenue, Annapolis, MD

BFI930026 Lenders Financial Corporation
Alleged violation of various provisions of Chapter 16 of Title 6.1 of the Code of Virginia

BFI930027 Cook & Associates Inc.
To open a mortgage office at 751-G Thimble Shoals Blvd., Newport News, VA

BFI930028 Cook & Associates Inc.
To open a mortgage office at 1305 Memory Lane, Suite 202, Chesterfield, VA

BFI930029 Cook & Associates Inc.
To open a mortgage office at 501 Westwood Office Park, Fredericksburg, VA

BFI930030 Coastal Mortgage Corporation
To relocate office from 8 Reservior Circle, Pikesville, MD to 36 55B Old Court Rd., Baltimore, MD

BFI930031 Associates Financial Services Co. of Virginia Inc.
To conduct consumer finance and personal property insurance at several locations

BFI930033 Associates Financial Services Co. of Virginia Inc.
To conduct consumer finance and mortgage lending at several locations

BFI930034 Associates Financial Services Co. of Virginia Inc.
To conduct consumer finance and revolving credit at several locations

BFI930035 Associates Financial Services Co. of Virginia Inc.
To conduct consumer finance and sales finance at several locations

BFI930036 Associates Financial Services Co. of Virginia Inc.
To open a consumer finance office at 102 E. Main St., Front Royal, VA

BFI930037 Associates Financial Services Co. of Virginia Inc.
To open a consumer finance office at 2 East Luray St., Luray, VA

BFI930038 Associates Financial Services Co. of Virginia Inc.
To open a consumer finance office at 1825 Valley Ave., Winchester, VA

BFI930039 Davenport-Dukes Mortgage Service Corporation
To relocate office from 4542 Bonney Rd. to 448 Viking Dr., VA Beach, VA

BFI930040 Tidewater First Financial
To open a mortgage office at 4664 S. Blvd., VA Beach, VA

BFI930041 Associates Financial Services of America Inc.
To open a mortgage lender's office at 1825 Valley Ave., Winchester, VA

BFI930043 Associates Financial Services of America Inc.
To open a mortgage lender's office at 102 E. Main St., Front Royal, VA

BFI930044 Associates Financial Services of America, Inc.
To open a mortgage lender's office at 2 E. Luray Street, Luray, VA

BFI930045 Thomas Cook Currency Services
To sell money orders at 1800 K Street, NW, Washington, DC

BFI930046 U S Home Mortgage Corporation
To relocate office from 6410 Rockledge Drive, Bethesda, MD to 8230 Courthouse Rd., Vienna, VA

BFI930047 Unisource Financial Corp.
To relocate office from 7027 Evergreen Court to 7535 Little River Turnpike, Annandale, VA

BFI930048 Crosstate Mortgage/Investments
To relocate office from 2927 Ivy Rd. to 300 Preston Ave., Charlottesville, VA

BFI930049 Mortgage & Equity Funding Corp.
To open a mortgage office at 4600-D, Pinecrest Office Park Dr., Alexandria, VA

BFI930050 First Union Corporation
To acquire Dominion Bankshares Corp. and its subsidiaries

BFI930051 Midcoast Mortgage Corporation
To open a mortgage office at 275 Broad Hollow Road, Melville, NY

BFI930052 Bank of Southside Virginia
To open a branch at Dunlop Farms Blvd. and Ellerslie Ave., Colonial Heights, VA

BFI930053 Norwest Financial Virginia
To conduct consumer finance business in certain offices where business of selling personal property insurance will also be conducted

BFI930054 Walter, Sheldon D.
To relocate office from 3627 VA Beach Blvd. to 3625 VA Beach Blvd., VA Beach, VA

BFI930055 Carl I. Brown & Company
Alleged violation of VA Code § 6.1-416

BFI930056 Hijjawi, Basel M.
Alleged violation of VA Code § 6.1-416

BFI930057 Business Advisory Systems, Inc.
Alleged violation of VA Code § 6.1-416

BFI930058 RBO Funding, Inc.
Alleged violation of VA Code § 6.1-416

BFI930059 Fitzgerald Financial Group Inc.
Alleged violation of VA Code § 6.1-416

BFI930060 Fidelity Mortgage Services, Inc.
Alleged violation of VA Code § 6.1-410

BFI930061 First Trust Mortgage Inc.
To open a mortgage broker's office at 8400 Baltimore Blvd., #206, College Park, MD

BFI930062 Martin, Paul D.
To acquire 100% ownership of Home Mortgage & Investment Company

BFI930063 Crestar Bank
To merge into it Continental Federal Savings Bank

BFI930064 Crestar Financial Corp.
To acquire 100% of the voting stock of Continental Federal Savings Bank

BFI930065 First Greensboro Home Equity
To relocate office from 3716 National Dr. to 3701 National Dr., Raleigh, NC

BFI930066 Preferred Mortgage Group Inc.
To open a mortgage lenders office at several locations

BFI930067 Mortgage Service America Co.
To establish mortgage lender and broker offices at certain locations

BFI930068 City Wide Mortgage Inc.
To open a mortgage lender and broker office

BFI930069 Enterprise Mortgage Corp.
To relocate office from 2809 S. Lynnhaven Road to 525 Viking Drive, VA Beach, VA

BFI930070 Phoenix Financial Corporation
To open a mortgage office at 1204 Fenwick Drive, Lynchburg, VA

BFI930071 Unity Mortgage Corporation
To open a mortgage lender's office at 1700 Rockville Pike, Suite 400, Rockville, MD

BFI930072 WMF Residential Mortgage Corp.
To open a mortgage lender's office at 1593 Spring Hill Road, Suite 400, Vienna, VA

BFI930073 Hanover Bank
To open a branch at 8001 West Broad Street, Henrico County, VA

BFI930074 Masters Mortgage Inc.
To open a mortgage lender's office at 2915 Hunter Mill Road, Suite 22, Oakton, VA

BFI930075 Virginia State Mortgage Inc.
To relocate office from 3566 Electric Rd. to 3130 Chaparral Dr., Roanoke, VA

BFI930076 Chesapeake 1st Mortgage Corp.
To open a mortgage broker's office at several locations

BFI930077 American Finance & Investment
To open a marketing office at 6564 Lois Dale Court, Suite 430, Springfield, VA

BFI930078 Dragas, Helen E.
To acquire 100% of the ownership of Dragas Mortgage Company

BFI930079 First Financial Mortgage Services Inc.
To open a mortgage broker's office at several locations

BFI930080 First Fidelity Mortgage Corporation
To open a mortgage office at 8802 Sudley Road, Manassas, VA

BFI930081 Marathon Bank, The
To establish a branch at 312 Warren Ave., Front Royal, VA

BFI930082 Champion Mortgage Corp.
To open a mortgage office at 20 Waterview Blvd., Parsippany, NJ

BFI930083 Pacific Financial Corp. t/a American Financial Services Co.
To open a mortgage office at 8607 Westwood Center Dr., #201, Vienna, VA

BFI930084 Hickory Ridge Mortgage Co.
To open a mortgage office at 8701 Georgia Avenue, Suite 501, Silver Spring, MD

BFI930085 Davenport-Dukes Mortgage Services Corporation
Alleged violation of VA Code § 6.1-416

BFI930086 United Companies Lending Corp.
To open a mortgage office at 275 East Paris Avenue, Suite 101, High Point, NC

BFI930087 Unisource Financial Corp.
Alleged violation of VA Code § 6.1-416

BFI930088 Transworld Mortgage Corp.
To open a marketing office at 13111 N.W. Freeway, Suite 600, Houston, TX

BFI930089 Provident Mortgage Co. of Virginia
To relocate office from 3333 Crater Rd., Petersburg, VA to 12750 Jefferson Davis Highway, Chester, VA

BFI930090 Provident Finance Co. of Virginia
To relocate office from 3333 S. Crater Rd., Petersburg, VA to 12750 Jefferson Davis Highway, Chester, VA

BFI930091 GE Capital Mortgage Service Inc.
To relocate office from 8000 Midlantic Dr., Mount Laurel, NJ to Three Executive Campus, Cherry Hill, NJ

BFI930092 American Mortgage Bankers Inc.
To relocate mortgage office from 3 Bethesda Metro Center to 4650 East West Highway, Bethesda, MD

BFI930093 Provident Mortgage Corp. of Virginia
To relocate office from 5213 S. Laburnum Ave. to 3820 B Mechanicsville Turnpike, Richmond, VA

BFI930094 Tidewater First Financial Group Inc.
To open a mortgage office at 610 Thimble Shoals Blvd., Suite 103 B, Newport News, VA

BFI930095 Phoenix Financial Corp. of Virginia
To relocate office from 106 W. Main St., Christiansburg, VA to 1999 S. Main St., Blacksburg, VA

BFI930096 K C Mortgage Corporation
To open a mortgage broker's office at 3843 Plaza Drive, Fairfax, VA

BFI930097 Source One Mortgage Service Corp.
To relocate office from 2750 Prosperity Ave. to 3028 Javier Rd., Fairfax, VA

BFI930098 Elite Funding Corporation
To open a mortgage broker's office at 12250 Rockville Pike, #209, Rockville, MD

BFI930099 Household Realty Corp.
To relocate office from 3333 VA Beach Blvd. to 4001 VA Beach Blvd., VA Beach, VA

BFI930100 Security Pacific Financial Services Inc.
To conduct sales finance business at 1430 Davis Ford Road, Suite 7, Woodbridge, VA

BFI930101 Security Pacific Financial Services Inc.
To conduct open-end lending at 1430 Davis Ford Road, Suite 7, Woodbridge, VA

BFI930102 Security Pacific Financial Services Inc.
To conduct mortgage lending at 1430 Davis Ford Road, Suite 7, Woodbridge, VA

BFI930103 Security Pacific Financial Services Inc.
To open consumer finance office at 1430 Davis Ford Road, Suite 7, Woodbridge, VA

BFI930104 Provident Finance Co. of Virginia
To relocate office from 5213 S. Laburnum Ave. to 3820 B Mechanicsville Turnpike, Richmond, VA

BFI930105 Arbor National Mortgage, Inc.
Alleged violation of certain laws applicable to the conduct of its business

BFI930106 Vina Home Mortgage Corp.
To open a mortgage broker's office at 1717 Elton Rd., #207, Silver Spring, MD

BFI930107 Commerce Bank
To open a bank at 200 Boush Street, Norfolk, VA

BFI930108 Mortgage America Investment Center
To relocate office from 8401 Corporate Dr., Suite 630 to Suite 620, New Carrollton, MD

BFI930109 Mortgage Service Center, Inc.
To open a mortgage office at 8027 Leesburg Pike, Suite 703, Vienna, VA

BFI930110 Associated Financial Group, Inc.
To relocate office from 5250 Challedon Dr. to 405 Oakmears Cresent, VA Beach, VA

BFI930111 Sears Mortgage Corporation
To relocate office from 2215 Enterprise Dr., Westchester, IL to 333 E. Butterfield, Suite 400, Lombard, IL

BFI930112 Briner Incorporated
To relocate office from 7700 Leesburg Pike, Falls Church, VA to 4000 Legato Rd., Fairfax, VA

BFI930113 Delta Funding Corporation
To open a mortgage lenders office at several locations

BFI930114 Lieberman, Christopher
To open a mortgage broker's office at 1336 Turnmill Dr., Richmond, VA

BFI930115 Alliance Mortgage Company
To open a mortgage lender's office at 7799 Leesburg Pike, Suite 900N, Falls Church, VA

BFI930116 Signet Bank/Virginia
To open a branch at U.S. Route 58, South Hill, VA

BFI930117 Mortgage One Financial Centers
To relocate office from 10400 Eaton Place, Fairfax, VA to 801 N. Pitt St., Alexandria, VA

BFI930119 Fox, Douglas R. d/b/a Fox Mortgage Associates
To relocate office from 13890 Braddock Rd., Centreville, VA to 12500 Fairlakes Circle, Fairfax, VA

BFI930120 GMAC Mortgage Corp. of Pennsylvania
To open an office at 1 Harbour Place, # 175, Portsmouth, NH

BFI930121 Residential Home Funding Corporation
Alleged violation of VA Code § 6.1-416

BFI930122 Mortgage Lending Services Inc.
To relocate office from 11718 Bowman Green Dr. to 1930 Isaac Newton Square, Reston, VA

BFI930123 Mortgage Solutions, Inc.
To relocate office from 6701 Democracy Blvd. to 4300 Montgomery Ave., Bethesda, MD

BFI930124 First Home Mortgage Corp.
To open an office at 7231 Forest Avenue, Suite 303, Richmond, VA

BFI930125 Capital Mortgage Company
To open an office at 19642 Clubhouse Road, Suite 625, Gaithersburg, MD

BFI930126 Virginia Mortgage Exchange Inc.
To relocate office from 8605 Westwood Center Drive to 8614 Westwood Center Dr., Vienna, VA

BFI930127 Washington Mortgage Corp.
To open office at 5514 Alma Lane, #400A, Springfield, VA

BFI930128 Metropolitan Financial Corp.
To open an office at 7392 Hooking Road, McLean, VA

BFI930129 Mortgage Professionals Inc.
To open an office at 9306 Willow Pond Lane, Burke, VA

BFI930130 JHM Mortgage Services Corp.
To open an office 8300 Greensboro Drive, Suite 970, McLean, VA

BFI930131 Nationwide Mortgage Corp.
To open an office at 7733 Belle Point Drive, Greenbelt, MD

BFI930132 Washington Square Mortgage Co.
To open an office at 7015 Vista Drive, West Des Moines, IA

BFI930133 United Mortgage Inc.
To relocate office from 3500 VA Beach Blvd. to 484 Viking Dr., VA Beach, VA

BFI930134 Alternative Mortgage Funding
To open an office at 6136 Mineral Square Rd., Suffolk, VA

BFI930135 East West Financial Services
To open an office at 804 E. Capitol Street, NE, Washington, DC

BFI930136 Cardinal Mortgage Inc.
To open a mortgage office at 503 Springvale Road, Great Falls, VA

BFI930137 Coastal Business & Financial Services
To open a mortgage office at 14459 Whisperwood Court, Dumfries, VA

BFI930138 Highlands Union Bank
To open a branch at Exit 19 I-81 on Road-F-029, Washington County, VA

BFI930139 Signet Bank/Virginia
To open a branch at 12191 Clipper Dr., Lake Ridge, Prince William County, VA

BFI930140 Citizens Bank of Virginia
To open a branch at 4230 John Marr Drive, Annandale, VA

BFI930141 Security Pacific Financial Services
To relocate consumer finance office from 39 S. Gate Court to 2217 S. Main St., Harrisonburg, VA

BFI930142 Commerce Bank of Virginia
To open a bank at Route 62958, River Road, West Goochland County, VA

BFI930143 Citizens Mortgage Corporation
To open an office at 10615 Judicial Dr., #603, Fairfax County, VA

BFI930144 Jefferson Mortgage Group Ltd.
To open an office at 10605 Judicial Drive, Suite A4, Fairfax, VA
BFI930145 First Greensboro Home Equity Inc.
Alleged violation of VA Code § 6.1-416
BFI930146 White, Jr., B. Tucker
To open an office at 3076 Shawnee Drive, Suite F, Winchester, VA
BFI930147 Home Mortgage Center, Inc.
To open an office at 1364 Beverly Road, McLean, VA
BFI930148 Home Mortgage Center Inc.
To open an office at 3900 Germantown Road, Suite 300, Fairfax, VA
BFI930149 First Bank and Trust Co., The
To engage in trust business
BFI930150 Commerce Bank
To open a bank at 1525 N. Main Street, Suffolk, VA
BFI930151 Regency Bank
To relocate bank from 207 W. Franklin St. to 1009-1011 E. Main St., Richmond, VA
BFI930152 Pan-American Mortgage Co. Inc.
To relocate office from 243 Church Street, Suite 100 C to #300 B, Vienna, VA
BFI930154 Rock Creek Mortgage Corp.
To open a mortgage office at 1912 Evans Parkway, Silver Spring, MD
BFI930155 Weismiller & Associates Inc.
To open an office at 502 South Independence Blvd., VA Beach, VA
BFI930156 Correspondent's Mortgage Corp.
To open a lender's office at 610 Pasteur Drive, Suite 201, Greensboro, NC
BFI930157 Residential Home Funding Corp.
To relocate office from 7516 Thimble Shoal Blvd. to 11830-C Cannon Blvd., Newport News, VA
BFI930158 Jones, J. Fremon
To open an office at 4055 Parliament Drive, Suite 108, VA Beach, VA
BFI930159 North American Mortgage Co.
To open a mortgage office at 10370 Richmond Avenue, 3rd Floor, Houston, TX
BFI930160 RBO Funding Inc.
To open a mortgage office at 8700 Georgia Avenue, Silver Spring, MD
BFI930161 Margaretten and Company Inc.
To relocate office from 201 E. Cary St. to 28210 Parham Road, Richmond, VA
BFI930162 First Virginia Bank
To relocate branch from 2926 Columbia Pike to 1100 S. Walter Reed Dr., Arlington Co., VA
BFI930163 RBO Funding Inc.
To open an office at 7814 Carousel Lane, Suite 400, Richmond, VA
BFI930164 Prime Mortgage Group Inc.
To open an office at 5822 Hubbard Drive, Rockville, MD
BFI930165 Citizens Mortgage Corporation
To open a mortgage office at 2101 Parks Ave., Suite 801, Pavillion Center, VA Beach, VA
BFI930166 CDL Financial Services Inc.
Alleged violation of VA Code § 6.1-413
BFI930167 Source One Mortgage Services Corp.
Alleged violation of VA Code § 6.1-416
BFI930168 Painewebber Mortgage Finance
To open an office at 3040 William Drive, Fairfax, VA
BFI930169 GE Capital Home Equity
To relocate office from 8000 Midatlantic Dr., Mount Laurel, NJ to Three Executive Campus, Cherry Hill, NJ
BFI930170 EFG EMCO t/a First Discount
To relocate office from Reflections II, 200 Golden Oak Court, Suite 150 to Reflections I, 2809 Lynnhaven Rd., Suite 320, VA Beach, VA
BFI930171 1st Potomac Mortgage Corp.
To open an office at 4000 Legato Rd., Suite 260, Fairfax, VA
BFI930172 Virginia Mortgage Service Inc.
To relocate office from 2802 Blvd., Colonial Heights, VA to 506 E. Nine Mile Rd., Highland Springs, VA
BFI930173 Bikowski, Anthony C.
To acquire 50% of 1st Potomac Mortgage Corporation
BFI930174 Roche, Michael B.
To acquire 50% of 1st Potomac Mortgage Corporation
BFI930176 Advantage Mortgage Group
To open a mortgage office at 2320-E Oaklawn Blvd., Hopewell, VA
BFI930177 First Industrial Loan Assoc.
To relocate office from Reflections II, 200 Golden Oak Court, Suite 150 to Reflections I, 2809 S. Lynnhaven Rd., Suite 320, VA Beach, VA
BFI930178 First Virginia Bank
To open a branch at 1490 N. Point Village Center, Reston, VA
BFI930179 Ryland Mortgage Company
To open a mortgage office at 11000 Broken Land Parkway, Columbia, MD
BFI930180 Mortgage Refinancing Corp.
To open a mortgage office at 316 Warren Ave., 34 Front Royal, VA
BFI930181 Executive Lending Services Inc.
To relocate mortgage office from 4021 to 4041 University Drive, Fairfax, VA

BFI930182 Painewebber Mortgage Finance
To open a mortgage office at One Columbus Center, VA Beach, VA

BFI930183 First Mount Vernon Financial Corp.
To open a mortgage office at 1700 Diagonal Rd., Suite 730, Alexandria, VA

BFI930184 Carl I. Brown & Company
To open an office at 4000 VA Beach Boulevard, Suite 208, VA Beach, VA

BFI930185 Mortgage Lending Services Inc.
Alleged violation of VA Code § 6.1-416

BFI930186 Sentry Mortgage Banker LP
To open a mortgage office at 963 A Russell Avenue, Gaithersburg, MD

BFI930187 Centurion Financial Ltd.
To open a mortgage office at 13405 Melville Lane, Chantilly, VA

BFI930188 Commerce Bank of Virginia
To open a branch at Route 250 at Centreville, Manakin Sabot, Goochland County, VA

BFI930189 First Union Corporation
To acquire First American Bank of Maryland and First American Bank NA

BFI930190 First Union Corporation
To acquire First American Metro Corp., McLean, VA

BFI930191 Mead Kingsport Credit Union
To conduct credit union business

BFI930192 First Bank & Trust Co., The
To open a branch at 1419 West State Street, Bristol, VA

BFI930193 Mortgage Central Inc.
To relocate office from 6521 Arlington Blvd., #206 to 4842-C Rugby Ave., Bethesda, MD

BFI930194 AVCO Financial Services of Madison Heights Inc.
To conduct consumer finance business where guardian protection plan insurance will also be sold

BFI930195 Tricapital Mortgage Markets
To open a mortgage office at 10111 Gary Road, Potomac, MD

BFI930196 First International Mortgage
To open a mortgage office at 8360 Greensboro Drive, Suite 414, McLean, VA

BFI930197 Franklin Mortgage Capital Corp.
To relocate office from 7900 Westpark Dr., McLean, VA to 3190 Fairview Park Dr., Falls Church, VA

BFI930198 Cooperative Mortgage Services Inc.
To open an office at 5875 Landerbrook Drive, Mayfield Heights, OH

BFI930199 Prudential Real Estate
To open a branch at 6035 Burke Center Parkway, Suite 101, Burke, VA

BFI930200 Sunbelt National Mortgage
To open a mortgage office at 10306 Eaton Place, Suite 220, Fairfax, VA

BFI930201 American General Finance Inc.
To relocate office from 4823 Williamsburg Rd. to 1369 Towne Square Blvd., Roanoke, VA

BFI930202 Prudential Real Estate Financial Services
To open a branch at 7611 Little River Turnpike, Annandale, VA

BFI930203 Prudential Real Estate Financial Services
To open a branch at 6832 Old Dominion Drive, Suite 300, McLean, VA

BFI930204 Bank of Buchanan
To open an EFT at 2190 Lee Highway, south Troutville, VA

BFI930205 GE Capital Mortgage Services
To open a mortgage office at 6601 Six Forks Road, Raleigh, NC

BFI930206 American General Finance Inc.
To relocate office from 4823 Williamson Road to 1369 Town Square Blvd., Roanoke, VA

BFI930207 American General Finance
To relocate office from 11136 Hull St. Rd. to 7130 Hull St. Rd., Chesterfield County, VA

BFI930208 Lenders Financial Corp.
To relocate office from 8700 Centerville Rd. to 9300 Grant Ave., Manassas, VA

BFI930209 Provident Finance Co. of Virginia Inc.
To relocate office from S. Crater Rd., Petersburg, VA to 12750 Jeff. Davis Highway, Chester, VA

BFI930210 First Century Bank
To relocate office from 910 East Main Street to 200 Peppers Ferry Road, Wytheville, VA

BFI930211 State Bank of The Alleghenies
To open a branch at Route 220 and Kingtown Lane, Hot Springs, VA

BFI930212 Hitchcock, Elizabeth R.
To relocate branch from 6800 Backlick Road to 9281 Old Keene Mill Road, Springfield, VA

BFI930213 First Bancorp Mortgage Corp.
To open an office at 291 Independence Blvd., VA Beach, VA

BFI930214 Crestar Bank
To open a branch at 1980 Rio Hill Center, Albemarle County, VA

BFI930215 FSC Corporation
To relocate office from 7310 Ritchie Highway, Glen Burnie, MD to 401 E. Pratt St., Baltimore, MD

BFI930216 Community Development Group Inc. of Delaware t/a Community Mortgage Co.
To relocate office from 307 Yoakum Parkway, Suite 1410, Alexandria, VA to 7360 McWhorter Place, Suite 201, Annandale, VA

BFI930217 Ford Consumer Finance Co.
To open an office at 2877 Brandywine Road, Suite 200, Atlanta, GA

BFI930218 Ford Consumer Finance Company
To open an office at 300 East Carpenter Freeway, Irving, TX

BFI930219 Commercial Credit Corporation
To relocate office from 4213 Portsmouth Blvd., Portsmouth, VA to 3325 Taylor Rd., Chesapeake, VA

BFI930220 Mortgage Bank Acquisition Corp.
To acquire 100% of Painewebber Mortgage Finance

BFI930221 Homefirst Mortgage Corp.
To relocate office from 8180 Greensboro Dr., McLean, VA to 11320 Random Hills Rd., Fairfax, VA

BFI930222 Metfund Mortgage Corporation
To relocate office from 2109B Bermudez Court to 2106C Gallows Road, Vienna, VA

BFI930223 Bank of Franklin, The
To open a branch at 22334 General Thomas Highway, Newsoms, VA

BFI930224 Mortgage Advantage Corporation
To relocate office from 10560 Main St., #214 to 10560 Main St., #215, Fairfax, VA

BFI930225 First Virginia Bank-Southwest
To open a branch at 3730 Knollridge Road, Roanoke County, VA

BFI930226 F & M Bank - Winchester
To open an EFT at US Route 11 and State Route 42, Woodstock, VA

BFI930228 First Century Bank
To open a branch at State Route 94 and U.S. Route 52, Max Meadows, Ft. Chriswell, VA

BFI930229 Bank of Rockbridge
To open an office at 98 Rockbridge Road, Glasgow, VA

BFI930230 Shareholders Funding Inc.
For a mortgage broker and lender license at several locations

BFI930231 Kundinger, Gregory L.
To acquire 94% of the voting stock of Homefirst Mortgage Corporation

BFI930232 RBO Funding Incorporated
To open a mortgage office at 1206 Laskin Road, Suite 20, VA Beach, VA

BFI930233 American General Finance Inc.
To relocate office from 208 N. Central Avenue to 851 Statler Crossing, Staunton, VA

BFI930234 First Fidelity Mortgage Corp.
To open an office at 7998 Donegan Drive, Manassas, VA

BFI930235 Commercial Credit Loans Inc.
To relocate office from 4213 Portsmouth Blvd. to 3225 Taylor Road, Chesapeake, VA

BFI930236 American General Finance of America Inc.
To relocate office from 208 N. Central Ave. to 851 Statler Crossing, Staunton, VA

BFI930237 Security Pacific Financial Services, Inc.
To relocate office from 870 N. Military Highway to 415-12 N. Military Highway, Norfolk, VA

BFI930238 Delta Mortgage Corporation
For a mortgage broker's license at 7801 Old Branch Avenue, Suite 407, Clinton, MD

BFI930239 Bank of Tazewell County
To open an office at Market Street and Hillsboro Drive, Tazewell, VA

BFI930240 Central Virginia Bank
To open an office at 4901 Millridge Parkway, East Midlothian, VA

BFI930241 Premier Bank Inc.
To open an office at US Highway Nos. 21 and 52, corner of State Route 1005, Bland County, VA

BFI930242 GMAC Mortgage Corp. of Pennsylvania
To relocate office from 9011 Arboretum Parkway to 812 Moorefield Park Dr., Richmond, VA

BFI930243 National Credit Reports
To open an office at 11107 Manklin Meadow Lane, Berlin, MD

BFI930244 Security Pacific Financial Services Inc.
To relocate office from 7537 Presidential Lane to 7896 Donegan Drive, Prince William County, VA

BFI930245 King Mortgage Corporation
For a mortgage broker's license at 4 Brighton Road, Clifton, NJ

BFI930246 Security Pacific Financial Services, Inc.
To relocate office from 10 Franklin Road, SE to 2362 A Peters Creek Road, Roanoke, VA

BFI930247 Union Bancorp Inc.
To acquire 100% of the voting shares of Northern Neck Bankshares

BFI930248 New Century Mortgage Corp.
For a mortgage broker's license at 611 Rockville Pike, Suite 240, Rockville, MD

BFI930249 First Virginia Bank
To open an EFT in the Fairfax County Government Center, Fairfax County, VA

BFI930250 CTX Mortgage Company
To relocate office from 14014-F Sullyfield Circle, Chantilly, VA to One Monument Place, Fairfax, VA

BFI930251 Distinctive Financial Corp.
To relocate office from 6861 Elm Street to 1307 Dolly Madison Blvd., McLean, VA

BFI930252 Martin, Robert L.
Alleged violation of VA Code § 6.1-418

BFI930253 Business & Financial Services Inc.
Alleged violation of VA Code § 6.1-418

BFI930254 Atlantic Mortgage Corporation
Alleged violation of VA Code § 6.1-418

BFI930255 Mortgage & Financial Network
Alleged violation of VA Code § 6.1-418

BFI930256 Signature Mortgage Corp.
For a broker's license at several locations

BFI930257 Guild Mortgage Co.
To relocate office from 3247 Misson Village Dr. to 9160 Gramercy Dr., San Diego, CA

BFI930258 George Washington Mortgage
For a broker's license at 900 S. Washington St., Falls Church, VA

BFI930259 Schurr and Schurr Corporation
For a mortgage broker's license at 85 S. Braggs St., Suite 602, Alexandria, VA and 10230 New Hampshire Ave., #304, Silver Spring, MD

BFI930260 Home Mortgage Center Inc.
To relocate office from 3900 Germantown Rd., Fairfax, VA to 4900 Leesburg Pike, Alexandria, VA

BFI930261 VIP Mortgage Corporation
For a mortgage broker and lender license at 8221 Old Courthouse Rd., Vienna, VA

BFI930262 Diversified Funding Inc.
To open a branch at 11830 Cannon Blvd., Suite C, Newport News, VA

BFI930263 Consumer Credit Counseling Service
To open an office at 6477 College Park Square, the Atrium, #100-102, VA Beach, VA

BFI930264 Beneficial Discount of Virginia
To relocate office from 10370 Festival Lane to 10384 Festival Lane, Manassas, VA

BFI930265 Beneficial Mortgage of Virginia
To relocate office from 10370 Festival Lane to 10384 Festival Lane, Manassas, VA

BFI930266 1st Chesapeake Financial Corp.
To open an office at 500 Lafayette Boulevard, Fredericksburg, VA

BFI930267 First Fidelity Mortgage Corp.
To relocate office from 213 McLaws Circle to 161-A John Jefferson Square, Williamsburg, VA

BFI930268 Navy Yard Credit Union Inc.
To merge into it Procter and Gamble Employees Credit Union Incorporated

BFI930269 Beneficial Virginia Inc.
To relocate consumer finance office from Festival at Manassas Plaza to 10384 Festival Lane, Manassas, VA

BFI930270 Spectrum Financial Consultants Inc.
Alleged violation of VA Code § 6.1-416

BFI930271 First Home Mortgage Corp.
Alleged violation of VA Code § 6.1-416

BFI930272 Equi-Financial LP
To open a mortgage lender and broker business at 1275 Wampanoag Trail, East Providence, RI

BFI930273 Arbor National Mortgage Inc.
To open an office at 320 Random Hills Road, Fairfax, VA

BFI930274 Federal Capital Funding Corp.
For a mortgage lender and broker license at 7819 Norfolk Avenue, Bethesda, MD

BFI930275 Mortgage Choice Inc., The
For a mortgage broker's license at 8310 Midlothian Turnpike, Richmond, VA

BFI930276 Bankers First Mortgage Co.
To open an office at Tysons Business Center, Boone Boulevard, Vienna, VA

BFI930277 Bankers First Mortgage Co.
To open office at 11400 Rockville Pike, Suite 750, Rockville, MD

BFI930278 Mortgage Lending Services
For a mortgage lender's license at 1930 Isaac Newton Square, Reston, VA

BFI930279 Pinnacle Mortgage Investment
For a mortgage lender and broker license at several locations

BFI930280 Vaden, David T. t/a Mortgage Aid Financial Services of Virginia
To relocate office from 3111 Holly Ave. to 621 Pinehurst Ave., Colonial Heights, VA

BFI930281 Hijjawi, Basel M.
To relocate office from 1700 Diagonal Rd., #530 to 1700 Diagonal Rd., #515, Alexandria, VA

BFI930282 Camran Corp. t/a Camco Mortgage
To relocate office from 210 E. Broad St. to 6540 Arlington Blvd., Falls Church, VA

BFI930283 Monogram Home Equity Corp.
To open an office at 285 Davidson, Somerset, NJ

BFI930284 Monogram Home Equity Corp.
To open an office at 2180 South 1300 East, Salt Lake City, UT

BFI930285 Margaretten & Company, Inc.
To open an office at Forest Plaza, 17201 Glen Forest Dr., #203, Richmond, VA

BFI930286 Union Bank and Trust Co.
To open a branch at Route 360 E, Manquin, VA

BFI930287 Comfort Mortgage Inc.
For a mortgage broker's license at 6704 McDonough Terrace, Bowie, MD

BFI930288 Freedom Mortgage Corporation
For a mortgage lender and broker license at 6417 Loisdale Rd., Suite 309 A, Springfield, VA

BFI930289 Mr. Money Inc.
To sell money orders at 2419 Williamson Road, Roanoke, VA

BFI930290 First Virginia Banks Inc.
To acquire United Southern Bank of Morristown, 800 West Morris Blvd.

BFI930291 F&M Bank-Winchester
To open a branch at 202 West Washington Street, Middleburg, VA

BFI930292 F&M Bank-Winchester
To open a branch at 7 Broad Way, Lovettsville, VA

BFI930293 F&M Bank-Winchester
To open a branch at 22550 Davis Drive, Sterling, VA

BFI930294 F&M Bank-Winchester
To open a branch at 440 East Colonial Highway, Hamilton, VA

BFI930295 F&M Bank-Winchester
To open a branch at 101 Catoctin Circle, SE, Leesburg, VA

BFI930296 F&M Bank-Winchester
To open a branch at 7 West Market Street, Leesburg, VA

BFI930297 Preferred Mortgage Services
For a mortgage broker's license at 10 Scotch Mist Court, Potomac, MD

BFI930298 Mortgage Resources Inc.
To conduct business as a mortgage broker at 4200 Daniels Avenue, Suite 200, Annandale, VA

BFI930299 Mortgage Acceptance Corp.
To relocate office from 10213 Dundalk Street to 4041 University Drive, Fairfax, VA

BFI930300 First Manassas Mortgage LC
For a mortgage broker's license at 9151 Quarry Street, Manassas, VA

BFI930301 City Wide Mortgage Inc.
To relocate office from 999 Waterside Drive, Norfolk, VA to 192 Ballard Court, VA Beach, VA

BFI930302 Central Money Mortgage Co. Inc.
For a mortgage lender and broker license at 11921 Rockville Pike, Rockville, MD

BFI930303 Metropolitan Mortgage Bankers
For a mortgage broker's license at 11400 Rockville Pike, Suite 750, Rockville, MD

BFI930304 F&M National Corporation
To acquire 100% of the voting shares of First National Bank Shares Inc.

BFI930305 Maryland Financial Resources
Alleged violation of VA Code § 6.1-413

BFI930306 FB&T Bank
To open a bank at 4117 Chain Bridge Road, Fairfax, VA

BFI930307 Sears Mortgage Corporation
Alleged violation of VA Code § 6.1-416

BFI930308 TMC Mortgage Co., L.P.
To relocate office from 1430 Springhill Rd. to 7926 Jones Branch Dr., McLean, VA

BFI930309 Paradigm Mortgage Services
To open an office at 8000 Towers Crescent Dr., #600, Vienna, VA

BFI930310 Pacific Finance Loans d/b/a Transamerica Credit Corp.
To open an office at 1204 Glen Forest Dr., Suite 301, Richmond, VA

BFI930311 C.V. Mortgage Centre, Inc.
For a mortgage lender's license at 10605 Judicial Dr., Unit A4, Fairfax, VA

BFI930312 Frost, Linda Y. d/b/a Bridgetowne Mortgage Co.
For a mortgage broker's license at 9316A Mill Road, Burke, VA

BFI930313 International Mortgage Assoc.
For a mortgage broker's license at 1828 L. Street, Suite 402, Washington, DC

BFI930315 Nationwide Mortgage Group
For a mortgage broker's license at 10605 Judicial Dr., Suite A-4, Fairfax, VA

BFI930316 Swisher, William M.
For a mortgage broker's license at 10111 Colesville Rd., Silver Spring, MD

BFI930317 Associates Financial Services Co. of Virginia, Inc.
To relocate consumer finance office from 102 E. Main St. to 477G S Street, Front Royal, VA

BFI930318 Homefirst Mortgage Corp.
To relocate office from 11320 Random Hills Rd., Suite 640 to 11320 Random Hills Rd., Suite 580, Fairfax, VA

BFI930319 Associates Financial Services of America, Inc.
To relocate office from 102 E. Main to 477F S Street, Front Royal, VA

BFI930320 Mortgage Lending Corporation
To open an office at 5640 Nicholson Lane, Suite 14, Rockville, MD

BFI930321 JAM Consultants Inc.
For a mortgage broker's license at 108 North Harrison St., Alexandria, VA

BFI930322 North American Mortgage Co.
To relocate office from 10370 Richmond Ave. to 10700 Richmond Ave., Houston, TX

BFI930323 ICM Mortgage Corporation
To open an office at 6061 South Willow Dr., #300, Greenwood Village, CO

BFI930324 Briner, Incorporated
Alleged violation of VA Code § 6.1-416

BFI930325 GMAC Mortgage Corporation of Pennsylvania
Alleged violation of VA Code § 6.1-416

BFI930326 Accubanc Mortgage Corporation
For a mortgage lender and broker license at several locations

BFI930327 Mortgage Lending Corporation
To open office at 1700 Diagonal Road, Suite 515, Alexandria, VA

BFI930328 Mortgage Acceptance Corp.
To open an office at 1301 North Hamilton St., #108, Richmond, VA

BFI930329 George Mason Bank, The
To open a branch at 4201 Wilson Blvd., Arlington County, VA

BFI930330 Burke & Herbert Bank & Trust Company
To open an EFT at 3200 Mount Vernon Memorial Highway, Mount Vernon, VA

BFI930331 Equity One Consumer Discount
To conduct sales finance business at 1428 N. Seminole Trail, Charlottesville, VA

BFI930332 Equity One Consumer Discount Co. Inc.
To open a consumer finance office at 1428 N. Seminole Trail, Charlottesville, VA

BFI930334 Equity One Consumer Discount
To conduct business of mortgage lending at 1428 N. Seminole Trail, Charlottesville, VA

BFI930335 Leland Financial Services Inc.
For a mortgage broker's license at 12110 Sunset Hills Rd., Reston, VA

BFI930336 Community Development Group Inc. of Delaware, t/a Community Mortgage Company
Alleged violation of VA Code § 6.1-416

BFI930337 Shearson Lehman Hutton Mortgage Corporation
To open an office at 4680 Hallmark Parkway, San Bernardino, CA

BFI930338 Shearson Lehman Hutton Mortgage Corporation
To open an office at 4a Eves Drive, Suite 108, Marlton, NJ

BFI930339 Cosmos Mortgage Corporation
For a mortgage broker's license at 10001 Whidbey Lane, Burke, VA

BFI930340 Bashaw, William L. III
For a mortgage broker's license at 13555 Point Pleasant Drive, Chantilly, VA

BFI930341 Equity One of Virginia
To open an office at 4351 Starkey Road, Roanoke, VA

BFI930342 Crescent Financial Funding Services
For a mortgage broker's license at 5039 Backlick Road, Suite B, Annandale, VA

BFI930343 Directors Mortgage Loan Corp. d/b/a Courtesy Funding
To open an office at 4425 Corporation Lane, Suite 200, VA Beach, VA

BFI930344 R&W Southside Mortgage Inc.
For a mortgage broker's license at Valley Street, Scottsville, VA

BFI930345 Peninsula Trust Bank, Inc.
To open a branch on the east side of State Route 5, Charles City, VA

BFI930346 Crestar Bank
To relocate branch from 2000 Huntington Ave. to 5922 Richmond Highway, Fairfax County, VA

BFI930347 Ewing, Franklin
For a mortgage broker's license at 3905 Crestview Road, Richmond, VA

BFI930348 City Federal Fund & Mortgage
For a mortgage lender's license at 9658 Baltimore Ave., College Park, MD

BFI930349 Associates Financial Services of America
To relocate office from 9034 Mathis Ave., Manassas, VA to 3810 Braddock Rd., Centreville, VA

BFI930350 Norwest Financial Inc.
To conduct consumer finance business at 18035 W. Broad St., Glen Allen, VA where property insurance will also be sold

BFI930351 F & M Bank-Massanutten
To open a branch at 317 N. Main Street, Bridgewater, VA

BFI930352 Security Pacific Financial Services Inc.
To relocate consumer finance office from 2787 S. Crater Rd., Petersburg, VA to 536 Southpark Blvd., Colonial Heights, VA

BFI930353 Security Pacific Financial Services Inc.
To relocate consumer finance office from 355 Crawford Parkway to 1412 Greenbrier Parkway, Portsmouth, VA

BFI930354 Associates Financial Services of America, Inc.
To relocate office from 1825 Valley Ave. to 2124 Pleasant Valley Rd., Winchester, VA

BFI930355 Paul Silverstein Associates t/a Monumental Mortgage Company
For a mortgage broker's license at 508 North Meadow Street, Richmond, VA

BFI930356 Associates Financial Services Co. of Virginia Inc.
For a consumer finance license at 13810 C Braddock Road, Centreville, VA

BFI930357 Associates Financial Services Co. of Virginia Inc.
To conduct consumer finance business where property insurance business will also be conducted

BFI930358 Associates Financial Services Co. of Virginia Inc.
To conduct consumer finance business where business of making real estate mortgage loans will also be conducted

BFI930359 Associates Financial Services Co. of Virginia Inc.
To conduct consumer finance business where lending business will also be conducted

BFI930360 Associates Financial Services Co. of Virginia Inc.
To conduct consumer finance business where business of sales finance will also be conducted

BFI930361 RBO Funding Inc.
To open a branch at 1340 Old Chain Bridge Road, McLean, VA

BFI930362 Consumer Mortgage & Investment Corp.
To relocate office from 2310 Tower Place, Hampton, VA to 732 Thimble Shoals Blvd.

BFI930363 Mortgage Concepts Inc.
For a mortgage broker's license at 2908 Westcott Street, Falls Church, VA

BFI930364 Veatch Mortgage & Investment Corporation
For a mortgage broker's license at 11417 Sunset Hills Road, Suite 225, Reston, VA

BFI930365 Kentucky Finance Company Inc.
To open a consumer finance office at 142 Kentsridge Road, Richlands, VA

BFI930366 Kentucky Finance Company Inc.
To open a consumer finance office at 504 Virginia Avenue, Bluefield, VA

BFI930367 Kentucky Finance Company Inc.
To conduct consumer finance business of where business of mortgage lending will also be conducted

BFI930368 Kentucky Finance Company Inc.
To conduct consumer finance business where business of sales finance will also be conducted

BFI930369 Kentucky Finance Company Inc.
To open a consumer finance office at 14 Piedmont St., Bristol, VA

BFI930370 Thorp Consumer Discount Co.
To open an office at 605 Highway 169 North, Plymouth, MN

BFI930371 Nationsbank Corporation
To acquire MNC Financial Inc. Corp. and Virginia Federal Savings Bank

BFI930374 Nationsbank Corporation
To acquire Maryland National Bank and American Security Bank

BFI930375 Bankers First Mortgage Co., Inc.
Alleged violation of VA Code § 6.1-416

BFI930376 Nova Funding Inc.
For a mortgage broker's license at 6731 Whittier Avenue, #A310, McLean, VA

BFI930377 Congressional Funding Inc.
To open an office at 403 Glenn Drive, Sterling, VA

BFI930378 CTX Mortgage Company
Alleged violation of VA Code § 6.1-416

BFI930379 Associates Financial Services Co. of Virginia, Inc.
To relocate office from 1825 Valley Avenue to 2124 Pleasant Valley Rd., Winchester, VA

BFI930380 Home Mortgage & Investment
To open an office at 16429 Jefferson Davis Highway, Colonial Heights, VA

BFI930381 Signet Bank/Virginia
To open an EFT at 7800 Carousel Lane, Henrico County, VA

BFI930382 Bank of Hampton Roads
To open a branch at 415 Saint Paul's Blvd., Norfolk, VA

BFI930383 1st Preference Mortgage Corp.
For a mortgage lender's license at 9423 Belair Road and 6401 Golden Triangle Drive

BFI930384 Beard Development Corporation
For a mortgage broker's license at 4358 Starkey Road, Suite 5, Roanoke, VA

BFI930385 Signet Bank/Virginia
To open a branch at ODU Webb Center, Hampton Blvd., Norfolk, VA

BFI930386 Commercial Credit Corporation
To relocate office from 9428 Main Street to Williams Plaza, Fairfax, VA

BFI930387 Ryland Mortgage Company
To open an office at 10045 Midlothian Turnpike, Suite 100, Richmond, VA

BFI930388 Virginia Mortgage Funding Corp.
To relocate from 11350 Random Hills Road, Fairfax, VA to 7600 B Leesburg Pike

BFI930389 Pace American Bank
To open a branch at 214 West Atlantic Street, Emporia, VA

BFI930390 Signet Bank/Virginia
To establish an EFT at 7798 Carousel Lane, Henrico County, VA

BFI930391 Directors Mortgage Loan Corp.
To relocate from #3 Koger Center, Norfolk, VA to 4425 Corporation Lane, VA Beach, VA

BFI930392 Associates Financial Services Co. of Virginia Inc.
To conduct business where limited physical damage insurance will be sold

BFI930393 Associates Financial Services
To conduct business where limited physical damage insurance will be sold

BFI930394 Business Advisory Systems Inc. d/b/a BAS Mortgage
To open an office at 16 Chester Street, 2nd Floor, Front Royal, VA

BFI930395 Business Advisory Systems Inc. d/b/a BAS Mortgage
To relocate office from 20 South Cameron St., 2nd Floor to 20 South Cameron St., Lower Level, Winchester, VA

BFI930396 National Loan Servicenter Inc.
For a mortgage lender's license at 1444 Eye Street, NW, Washington, DC

BFI930397 Consolidated Bank & Trust Co.
To open an office at 415 Saint Paul's Blvd., Norfolk, VA

BFI930398 Leader Financial Corporation
For a mortgage lender and broker license at several locations

BFI930399 Nationscredit Financial Services
For a consumer finance license at 2355 South Main Street, Harrisonburg, VA

BFI930400 Nationscredit Financial Services Corporation of Virginia
For a consumer finance license at 2404 VA Beach Blvd., VA Beach, VA

BFI930401 Nationscredit Financial Services Corporation of Virginia
For a consumer finance license at 1003 West Washington Street, Suffolk, VA

BFI930402 Nationscredit Financial Services Corporation of Virginia
For a consumer finance license at 13565 Midlothian Turnpike, Midlothian, VA

BFI930403 Nationscredit Financial Services Corporation of Virginia
For a consumer finance license at 1905 South Military Highway, Chesapeake, VA

BFI930404 Nationscredit Financial Services Corporation of Virginia
For a consumer finance license at 7574 West Broad Street, Henrico County, VA

BFI930405 Nationscredit Financial Services Corporation of Virginia
For a consumer finance license at 240004 B West Mercury Blvd., Hampton, VA

BFI930406 Nationscredit Financial Services Corporation of Virginia
For a consumer finance license at 1201 Airline Blvd., Portsmouth, VA

BFI930407 Nationscredit Financial Services Corporation of Virginia
For a consumer finance license at 6715 E. Backlick Rd., Springfield, VA

BFI930408 Nationscredit Financial Services Corporation of Virginia
To conduct consumer finance business at locations where business of open-end lending will also be conducted

BFI930409 Nationscredit Financial Services Corporation of Virginia
To conduct consumer finance business at locations where business of sales finance will also be conducted

BFI930410 Nationscredit Financial Services Corporation of Virginia
To conduct consumer finance business at locations where business of mortgage lending will also be conducted

BFI930411 Nationscredit Financial Services Corporation of Virginia
To conduct consumer finance business at locations where business of property insurance will also be conducted

BFI930412 First Virginia Bank-Colonial
To relocate office from 13222 Midlothian Turnpike to 1001 Sycamore Square, Midlothian, VA

BFI930413 Abbot Mortgage Services Inc.
To relocate office from 1420 Spring Hill Rd. to 8000 Westpark Dr., McLean, VA

BFI930414 Central Mortgage & Investment Co.
To relocate office from 1900 L Street NW, Suite 500 to 1700 K Street, Washington, DC

BFI930415 Chesapeake Mortgage Corp.
To open an office at 10306 Eaton Place, Suite 200, Fairfax, VA

BFI930416 American General Finance of America Inc.
To open a consumer finance office at 401 G. East Nelson Street, Lexington, VA

BFI930417 American General Finance of America Inc.
To open a consumer finance office at 1252 Holland Rd., Suffolk, VA

BFI930418 American General Finance of America Inc.
To open a consumer finance office at 518 North Main St., Chase City, VA

BFI930419 American General Finance of America, Inc.
For a consumer finance license at 12750 Jefferson Davis Highway, Chesterfield County, VA

BFI930420 American General Finance of America, Inc.
For a consumer finance license at 10589 James Madison Highway, Orange County, VA

BFI930421 American General Finance of America, Inc.
For a consumer finance license at 9015 W. Broad St., Waynesboro, VA

BFI930422 American General Finance of America Inc.
For a consumer finance license at 3820 B Mechanicsville Turnpike, Henrico County, VA

BFI930423 American General Finance of America, Inc.
For a consumer finance license at 703 E. Atlantic St., South Hill, VA

BFI930424 American General Finance of America Inc.
To conduct consumer finance business at locations where open-end lending will also be conducted

BFI930425 American General Finance of America Inc.
To conduct consumer finance business at locations where mortgage lending will also be conducted

BFI930426 American General Finance of America Inc.
To conduct consumer finance business at locations where sales finance business will also be conducted

BFI930427 American General Finance of America Inc.
To conduct consumer finance business at locations where property insurance business will also be conducted

BFI930428 American General Finance of America Inc.
To open an office at 9015 West Broad St., Waynesboro, VA

BFI930430 American General Finance Inc.
To open an office at 703 East Atlantic Street, South Hill, VA

BFI930431 American General Finance of America Inc.
To open an office at 3820 B Mechanicsville Pike, Richmond, VA

BFI930432 American General Finance of America Inc.
To open an office at 10589 James Madison Highway, Orange, VA

BFI930433 American General Finance of America, Inc.
To open an office at 12750 Jefferson Davis Highway, Chester, VA

BFI930434 American General Finance of America, Inc.
To open an office at 518 North Main Street, Chase City, VA

BFI930435 American General Finance of America Inc.
To open an office at 1252 Holland Rd., Suffolk, VA

BFI930436 American General Finance of America Inc.
To open an office at 401 G East Nelson St., Lexington, VA

BFI930437 American General Finance of America, Inc.
To relocate office from 11136 Hull Street Road to 7130 Hull Street Road, Chesterfield County, VA

BFI930438 First Virginia Bank
To open a branch at 13881 Metrotech Drive, Chantilly, VA

BFI930439 ABS Financial Services Inc.
To open a mortgage office at 11260 Old Roswell Road, Alpharetta, GA

BFI930440 Infinity Funding Group Inc.
To open an office at 1102 North Thompson Street, Richmond, VA

BFI930441 First Advantage Mortgage Corp.
To relocate office from 740 15th Street to 805 15th Street, NW, Washington, DC

BFI930442 Hamilton Mortgage Services Inc.
For a mortgage broker's license at 1155 Connecticut Avenue, Suite 300, Washington, DC

BFI930443 Matthew Lawrence Associates
For a mortgage broker's license at 6672 Thornton Rd., Easton, MD and 1450 Research Blvd.

BFI930444 Revolutionary Mortgage Company
For a mortgage broker and lender license at several locations

BFI930445 Thomas Cook Australia Party Ltd.
For a license to sell money orders pursuant to Chapter 12 of Title 6.1 of the Code of Virginia

BFI930446 Citizens Mortgage Corp.
To relocate office from 2101 Parks Ave. to 397 Little Neck Rd., VA Beach, VA

BFI930447 Fairfax Mortgage Investments
For a mortgage lender's license at 10560 Main St., A-100, Fairfax, VA

BFI930449 Guild Mortgage Company
To relocate office from 4099 Foxwood Dr., #201 to 4455 S. Blvd., VA Beach, VA

BFI930450 Medallion Mortgage Company
For a mortgage lender and broker license at 4425 Corporation way, VA Beach, VA

BFI930451 Commerce Bank of Virginia
To relocate branch from Broadview Shopping Center to 27 Broad St. Rd., Centreville, VA

BFI930452 Colonial Pacific Mortgage Co.
For a mortgage lender's license at 5904 Richmond Highway, #310, Alexandria, VA

BFI930453 Central Pacific Mortgage Co.
To acquire 100% of the voting stock of Colonial Pacific Mortgage Company

BFI930454 Colonial Pacific Mortgage Co.
To relocate office from 5904 Richmond Highway to 5904 Richmond Highway, Suite 310, Alexandria, VA

BFI930455 Associates Financial Services Company of Virginia Inc.
To conduct consumer finance business where credit card applications will be offered

BFI930456 Swerdlow, Marilyn t/a Money Line Mortgage Co.
For a mortgage broker's license at 3030 Metting St., Falls Church, VA

BFI930457 Alliance Mortgage Company
For a mortgage broker's license at 4500 Salisbury Rd., Jacksonville, FL

BFI930458 US Mortgage Corporation
To relocate office from 3516 Plank Rd. to 910 Princess Anne St., Fredericksburg, VA

BFI930459 Prudential Home Mortgage
To open an office at 500 East Monroe, Springfield, IL

BFI930460 Johnson Mortgage Company
To relocate office from 727 J. Clyde Morris Blvd., Suite A to 727 J. Clyde Morris Blvd., Suite D, Newport News, VA

BFI930461 First Fidelity Mortgage Corp.
To relocate office from 727 East J. Clyde Morris Blvd., Suite A to 727 J. Clyde Morris Blvd., Suite D, Newport News, VA

BFI930462 First Nationwide Mortgage Services Inc.
To open an office at 7500 Greenway Center Dr., Greenbelt, MD

BFI930463 Ryland Mortgage Company
To open an office at 6550 Rockspring Drive, Suite 260, Bethesda, MD

BFI930464 Fidelity Mortgage Services
To relocate office from 451 Hungerford Dr. to 1401 Rockville Pike, Rockville, MD

BFI930465 1st Chesapeake Financial Corp.
To open an office at 13011 New Parland Drive, Herndon, VA

BFI930466 AVCO Financial Services of Madison Heights Inc.
To conduct consumer finance business where property insurance will also be sold

BFI930467 AVCO Financial Services of Madison Heights Inc.
To conduct consumer finance business where mortgage lending business will also be conducted

BFI930468 AVCO Financial Services of Madison Heights Inc.
To conduct consumer finance business where business of sales finance will also be conducted

BFI930469 AVCO Financial Services of Madison Heights Inc.
To conduct consumer finance business where business of revolving loans will also be conducted

BFI930470 Consumer Credit Counseling Service of Greater Washington
To open an office at 2111 Wilson Blvd., #765, Arlington, VA

BFI930471 Consumer Credit Counseling Service of Greater Washington
To open an office at 98 Loudon St., SW, #250, Leesburg, VA

BFI930472 Excel Mortgage Service L.L.C.
For a mortgage broker's license at 495 Foxridge Drive, Leesburg, VA

BFI930473 Harbor Financial Mortgage
For a mortgage lender and broker license at 12120 Sunset Hills Rd., Reston, VA

BFI930475 Mortgage USA Inc.
For a mortgage broker's license at 8560 Second Avenue, Suite 1420, Silver Spring, MD

BFI930476 Citizens Mortgage Corp.
To relocate office from 10615 Judicial Dr., Suite 603 to 10680 Main St., Suite 285, Fairfax, VA

BFI930477 Sterling Mortgage Corporation
To open an office at 3330 Bourbon Street, Fredericksburg, VA

BFI930478 AMS Credit Union
To open a credit union branch at 4000 Legato Road, Room 425/425A, Fairfax, VA

BFI930479 Shearson Lehman Hutton Mortgage Corp.
Alleged violation of VA Code § 6.1-416

BFI930480 Rock Creek Mortgage Corp.
To relocate office from 1912 Evans Parkway, Silver Spring, MD to 6284 Montrose Rd., Rockville, MD

BFI930481 Performance Mortgage of Coachella Valley
To open an office at Route 301, Theodore Green Blvd., White Plains, MD

BFI930482 Performance Mortgage of Coachella Valley
To open an office at 1301 York Rd., #500, Lutherville, MD

BFI930483 Performance Mortgage of Coachella Valley
To open an office at 3501 Harbor Blvd., #200, Santa Ana, CA

BFI930484 Homebuyers Mortgage, Inc.
For mortgage lender and broker license at 1802 Brightseat Rd., 6th Floor, Landover, MD

BFI930485 Bank of Hampton Roads
To open a branch at 1401 Northwest Blvd., #102, Chesapeake, VA

BFI930486 Sai Mortgage Inc.
For a mortgage broker's license at 11250-3 Roger Bacon Drive, Reston, VA

BFI930487 Intercontinental Mortgage Corp.
For a mortgage broker's license at 230 N. Washington St., Rockville, MD

BFI930489 Beard Development Corporation
To open an office at 3141 Fairview Park Drive, #200, Falls Church, VA

BFI930490 Mortgage Choice Inc., The
For a mortgage lender's license at 9310 Midlothian Turnpike, Richmond, VA

BFI930491 George Mason Bank, The
To open a branch at 6402 Williamsburg Boulevard, Arlington County, VA

BFI930492 Home Credit Corporation
To relocate office from 244 Weybosset Street, Providence, RI to 2 Altieri Way, Warwick, RI

BFI930493 Atlantis Ventures Ltd.
To acquire 100% of the voting stock of Consolidated Mortgage

BFI930494 Commerce Bank of Virginia
To relocate branch from 1920 Sandy Hook Road to 2958 River Road, Goochland, VA

BFI930495 Eastern Mortgage Services
For a mortgage lender's license at 2655 Interplex Drive, Trevose, PA

BFI930496 Express Funding Inc.
For a mortgage lender's license at several locations

BFI930497 First Guaranty Mortgage Corp.
To open an office at 1015 Berryville Avenue, Suite 1, Winchester, VA

BFI930498 Bank of Hampton Roads, The
To open an EFT facility at 1320 Northwest Blvd., Suite 100, Chesapeake, VA

BFI930499 Guild Mortgage Company
To open an office at 605 A Jefferson Davis Highway, Fredericksburg, VA

BFI930500 Nationwide Mortgage Corp.
To relocate office from 7733 Belle Point Dr., Greenbelt, MD to 7700 Little River Turnpike

BFI930501 Ace Mortgage Corporation
To relocate office from 9653 Lee Highway to 3251 Old Lee Highway, Fairfax, VA

BFI930502 Jefferson Mortgage Group Ltd.
To open an office at 10777 Main Street, Fairfax, VA

BFI930503 Nationwide Mortgage Group Inc.
To open an office at 10777 Main Street, Fairfax, VA

BFI930504 Amerifirst Mortgage Corp.
To open an office at 210 22nd Street, Buena Vista, VA

BFI930505 Hampton Roads Funding Corp.
To relocate office from York Bldg., 11825 Rock Landing Dr. to 11835 Canon Blvd., Newport News, VA

BFI930506 Atlantic International Mortgage
For a mortgage broker's license at 8401 Corporate Dr., Landover, MD

BFI930507 Hijjawi, Basel M.
Alleged violation of VA Code § 6.1-416

BFI930508 North American Mortgage Co.
To open an office at 10700 Richmond Ave., Suite 310, Houston, TX

BFI930509 Maryland Financial Resources
For a mortgage broker's license at 744 Dulaney Valley Rd., Suite 9, Towson, MD

BFI930510 Monroe Mortgage Company
To open an office at 64 West Water Street, Harrisonburg, VA

BFI930511 Management Financing Group Inc.
For a mortgage broker's license at 11900 Parklawn Dr., Suite 340, Rockville, MD

BFI930512 Tidewater First Financial
To open an office at 123 South Lynnhaven Road, VA Beach, VA

BFI930513 Monument Mortgage Corporation
For a mortgage broker's license at 1450 Mercantile Lane, Suite 201, Landover, MD

BFI930514 White, B. Tucker Action Mortgage
To open a branch at 205 E. Washington Street, Middleburg, VA

BFI930515 Virginia Mortgage Funding Corp.
To relocate office from 5520 Swift Current Court to 4141 Orchard Dr., Fairfax, VA

BFI930516 Shareholders Funding Inc.
To open an office at 1658 Bachan Court, Reston, VA

BFI930517 Shareholders Funding Inc.
To open an office at 3987 Marina Lake Rd., #200, VA Beach, VA

BFI930518 Metropolitan Mortgage Corp.
To open an office at 4300 Montgomery Ave., Suite 140, Bethesda, MD

BFI930519 Norwest Financial Virginia Inc.
For a consumer finance license at 1683 Seminole Trail, Charlottesville, VA

BFI930520 Norwest Financial Virginia Inc.
To conduct consumer finance business where business of sales finance will also be conducted

BFI930521 Norwest Financial Virginia Inc.
To conduct consumer finance business where business of mortgage lending will also be conducted

BFI930522 Norwest Financial Virginia Inc.
To conduct consumer finance business where business of open end credit will also be conducted

BFI930523 Norwest Financial Virginia Inc.
To conduct consumer finance business where property insurance business will also be conducted

BFI930524 Norwest Financial Virginia Inc.
To conduct consumer finance business where business loans of $7500 or more will also be conducted

BFI930525 Mortgage Professionals Inc., The
To relocate office from 9306 Willow Pond Lane, Burke, VA to 8300 Boone Blvd., Vienna, VA

BFI930526 Mortgage Lending Corporation
To open an office at 7799 Leesburg Pike, #900N, Falls Church, VA

BFI930527 Mortgage Service America Co.
To open office at 2971 Valley Avenue, Winchester, VA

BFI930528 Mortgage Service America Co.
To relocate office from 1650 Tysons Blvd., #1600, McLean, VA to 11320 Random Hills Road, Fairfax, VA

BFI930529 Mortgage Service America Co.
To relocate office from 600 Lynnhaven Parkway to 448 Viking Drive, VA Beach, VA

BFI930530 Lenders Financial Corp.
To open an office at 2217 Princess Anne St., #200A, Fredericksburg, VA

BFI930531 Modern Mortgage Inc.
To relocate office from 5613 Leesburg Pike, Falls Church, VA to 6352 Bolling Mill Place

BFI930532 Express Mortgage Bankers, Inc.
For a mortgage lender and broker license at 1800 Diagonal Rd., #600, Alexandria, VA

BFI930533 Mirza, Tufail M. t/a T. M. Mortgage
To relocate office from 13410 Occoquan Rd. to 13308 Jefferson Davis Highway, Woodbridge, VA

BFI930534 Integrated Payment Systems Inc.
For license to sell money orders at 6200 S. Quebec St., Englewood, CO

BFI930535 Citizens Mortgage Corporation
To open an office at 10134 Hull Street Rd., #C2, Midlothian, VA

BFI930536 Tidewater First Financial Group Inc.
To open an office at 8452 Bauer Dr., Springfield, VA

BFI930537 Commercial Credit Corporation
To relocate office from 5216 George Washington Memorial Highway, Grafton, VA to 5251-30 John Tyler Highway

BFI930538 Executive Lending Services Inc.
To open an office at 3606 Forest Drive, Alexandria, VA

BFI930539 Horbourton Holdings, L.P.
To acquire 50 percent of the voting stock of TMC Mortgage Co. L.P.

BFI930540 Nations Credit Financial Service Corp. of Virginia
To relocate office from 3959 Electric Rd. to 3700 Franklin Rd., Roanoke County, VA

BFI930541 Nations Credit Financial Service Corp. of Virginia
To relocate consumer finance from 3042C Berkmar Dr. to 360 Pantops Shopping Center, Albemarle County, VA

BFI930542 Nations Credit Financial Service Corp. of Virginia
To relocate consumer finance office from 12500 Fair Lakes Circle, to 11217 Lee Highway, Fairfax, VA

BFI930543 May, John E. t/a Central Mortgage & Investment Co.
Alleged violation of VA Code § 6.1-413

BFI930544 Metro Mortgage Associates, Inc.
For a mortgage broker's license at 60 E. First Street, Christiansburg, VA

BFI930545 Commonwealth Mortgage Corp.
For a mortgage broker's license at 10605 Judicial Dr., A4, Fairfax, VA

BFI930547 Commercial Credit Corp.
To relocate office from 2332E W. Mercury Blvd. to 2316C W. Mercury Blvd., Hampton, VA

BFI930548 North American Mortgage Corp.
To relocate office from 7400 Beaufont Springs Dr. to 7501 Boulders View Dr., Richmond, VA

BFI930549 Sterling Mortgage Corp.
To open an office at 4455 South Boulevard, Suite 300, VA Beach, VA

BFI930550 Acquisition Services Inc. t/a Treasury Mortgage Group, Inc.
For a mortgage broker's license at 98 Kilby Shores Dr., #201, Suffolk, VA

BFI930551 Wall Street Mortgage Corp.
To open an office at 10000 Falls Road, Suite 200 A, Potomac, MD

BFI930552 Seniors First Mortgage Co.
For a mortgage lender and broker license at 4425 Corporation Lane, VA Beach, VA

BFI930553 Langlas, Ronald D.
For a mortgage broker's license at 9281 Old Keene Mill Road, Springfield, VA

BFI930554 Colonial Pacific Mortgage Corp. t/a Ramsay Mortgage Co., Inc.
To open an office at 1800 Diagonal Road, Suite 130, Alexandria, VA

BFI930555 Colonial Pacific Mortgage Corp. t/a Ramsey Mortgage Company, Inc.
To open an office at 12110 Sunset Hills Rd., #450, Reston, VA

BFI930556 Colonial Pacific Mortgage Corp. t/a Ramsey Mortgage Company, Inc.
To open an office at 10805 Main Street, Fairfax, VA

BFI930557 Colonial Pacific Mortgage Corp. t/a Ramsay Mortgage Co., Inc.
To open an office at 12737 Directors Loop, Unit 2C, Woodbridge, VA

BFI930558 Community Bank of Northern Virginia
To open a branch at 4029 Chain Bridge Road, Fairfax, VA

BFI930559 Commercial Credit Loans Inc.
For a consumer finance license at 5251-30 John Tyler Highway, James City County, VA

BFI930560 Commercial Credit Loans Inc.
To conduct consumer finance business where business of sales finance will also be conducted

BFI930561 Commercial Credit Loans Inc.
To conduct consumer finance business where business of revolving loans will also be conducted

BFI930562 Commercial Credit Loans Inc.
To conduct consumer finance business where non-filing insurance business will also be conducted

BFI930563 Commercial Credit Loans Inc.
To conduct consumer finance business where business of credit property insurance will also be conducted

BFI930564 Commercial Credit Loans Inc.
To consumer finance business where business of real estate mortgage lending will also be conducted

BFI930565 Associates Financial Services of America Inc.
To open an office at 14414 Jefferson Davis Highway, Woodbridge, VA

BFI930566 Associates Financial Services Co. of Virginia Inc.
To conduct consumer finance business where business of sales finance will also be conducted

BFI930567 Associates Financial Services Co. of Virginia Inc.
To conduct consumer finance business where business of mortgage lending will also be conducted

BFI930568 Associates Financial Services Co. of Virginia Inc.
For a consumer finance license at 14414 Jefferson Davis Highway, Woodbridge, VA

BFI930569 Associates Financial Services Co. of Virginia Inc.
To conduct consumer finance business where business of revolving credit will also be conducted

BFI930570 Associates Financial Services Co. of Virginia Inc.
To conduct consumer finance business where property insurance business will also be conducted

BFI930571 Colonial Pacific Mortgage Co. t/a Ramsey Mortgage Company
To open an office at 401 E. Jefferson St., Suite 103, Rockville, MD

BFI930572 Colonial Pacific Mortgage Co.
To open an office at 4314 Montgomery Avenue, Bethesda, MD

BFI930573 Colonial Pacific Mortgage Co. t/a Ramsay Mortgage Co., Inc.
To open an office at 2101 B Baldwin Ave., Crofton, MD

BFI930574 Mortgage Service America Co.
To relocate office from 2810 Parham Rd., Suite 220 to 3951 Westerre Parkway, Richmond, VA

BFI930575 Mortgage Service America Co.
To open an office at Arboretum I, 9100 Arboretum Parkway, Richmond, VA

BFI930576 Mortgage Service America Co.
To open an office at 487 McLaws Circle, Suite 1 B, Williamsburg, VA

BFI930577 McDaniel, Paul K.
To open an office at 6141 Airport Road, Roanoke, VA

BFI930578 Tucker, John E.
For a mortgage broker's license at 3723 Old Forest Road, Suite B, Lynchburg, VA

BFI930579 Jer-Tag Enterprises Inc.
For a mortgage broker's license at 1880 Howard Avenue, Suite 200, Vienna, VA

BFI930581 America's Home Mortgage Co.
For a mortgage broker's license at 3141 Fair View Park Dr. and 4358 Starkey Rd., Roanoke, VA

BFI930582 Capital Access Ltd.
For a mortgage broker's license at 5514 Alma Lane, Suite 400, Springfield, VA

BFI930583 Benefit Funding Corporation
For a mortgage lender's license at 10724 Baltimore Avenue, Beltsville, MD

BFI930584 Yoon, Wook Lho
For a mortgage broker's license at 5410 Kennington Place, Fairfax, VA

BFI930585 American General Finance Inc.
To relocate office from 5329 E. VA Beach Blvd., Suite 2A to #5 The Koger Center, Suite 100, Norfolk, VA

BFI930586 Citizens and Farmers Bank
To open an office at the intersection of Route 5 and Strath Rd., Varina, VA

BFI930587 Hogston, Larry D.
To relocate office from Rural Route 3 to 228 1/2 West Main St., Saltville, VA

BFI930588 McComas, Charles Mark
To acquire 50% of the voting stock of Mortgage Acceptance Corporation

BFI930589 Columbia National Incorporated
To open an office at 3701 Boulevard, Colonial Heights, VA

BFI930590 Columbia National Incorporated
To open an office at 2917 Penn Forest Boulevard, Suite 10, Roanoke, VA

BFI930591 Tou, William H. t/a Calmax Mortgage Company
For a mortgage broker's license at 8907 Liberty Lane, Potomac, MD

BFI930592 Cosmos Mortgage Corporation
To relocate office from 10001 Whidbey Lane, Burke, VA to 5029 Backlick Road, Annandale, VA

BFI930593 Metropolitan Mortgage Bankers
To relocate office from 11400 Rockville Pike, #750 to 11810 Parklawn Dr., Rockville, MD

BFI930594 Prudential Home Mortgage
To open an office at 611 Anton Boulevard, Costa Mesa, CA

BFI930595 Gilliam, Edward E.
For a mortgage broker's license at 215 West Main Street, Appalachian, VA

BFI930596 Jackson, John H. t/a Harbor Mortgage Company, Inc.
For a mortgage broker's license at 550 East Main St., Suite 406, Norfolk, VA

BFI930597 American General Finance of America Inc.
To relocate office from 5329 A VA Beach Blvd. to Suite 100 #5 The Koger Center, Norfolk, VA

BFI930598 Commercial Credit Loans Inc.
To relocate office from 2332-E W. Mercury Blvd. to 2316 C W. Mercury Blvd., Hampton, VA

BFI930599 Sun Mortgage Corporation
For a mortgage broker's license at 658 West Fox Grove Court, VA Beach, VA

BFI930600 Waynesboro Dupont Employees Credit Union
To open a service facility at Stuarts Draft Road, Stuarts Draft, VA

BFI930601 Finamark Inc.
For a mortgage broker's license at 3720 Farragut Avenue, 1st Floor, Kensington, MD

BFI930602 Greater Potomac Mortgage Co.
To open an office at One Columbus Center, Suite 631, VA Beach, VA

BFI930603 Directors Mortgage Loan Corp.
To open an office at 10710 Midlothian Turnpike, Suite 450, Richmond, VA

BFI930604 1st 2nd Mortgage Company of New Jersey Inc.
For a mortgage lender's license at 50 Spring Street, Cresshill, NJ

BFI930605 1st Chesapeake Financial Corp.
To open an office at 144 Maple Avenue, Suite 206 East, Vienna, VA

BFI930606 Hamilton Mortgage Corp.
For a mortgage broker's license at 12477 Dillingham Square, Woodbridge, VA

BFI930607 Washington Suburban Mortgage
To open a mortgage broker's office at several locations

BFI930608 Industry Mortgage Company LP
For a mortgage lender's license at several locations

BFI930609 Cardinal Mortgage Inc.
To relocate office from 503 Springvale Road to 746 Walker Road, Great Falls, VA

BFI930610 Cardinal Mortgage Inc.
To open an office at 47 Garrett Street, Warrenton, VA

BFI930611 Homenet Mortgage L.P.
For a mortgage lender and broker license at 4435 Waterfront Dr., Glen Allen, VA

BFI930612 Pakman Enterprise Inc.
For a mortgage broker's license at 3154 Babashaw Court, Fairfax, VA

BFI930613 Statewide Mortgage Corp.
For a mortgage broker's license at several locations

BFI930614 GMAC Mortgage Corp. of Pennsylvania
To open an office at 64 Reads Way, New Castle Corporate Commons, New Castle, VA

BFI930615 GE Capital Mortgage Services
To open an office at 901 Roosevelt Parkway, Chesterfield, MO

BFI930616 Rockingham Heritage Bank
To open a branch at 677 Chicago Avenue, Harrisonburg, VA

BFI930617 Premiere Mortgage Professional
For a mortgage license at 966 Hungerford Drive and 8300 Boone Blvd., Vienna, VA

BFI930618 Heartline Mortgage Network d/b/a Global Mortgage Inc.
For a mortgage broker license at 9470 Annapolis Road, Suite 413, Lanham, MD

BFI930619 Vina Mortgage & Investment Co
For a mortgage broker's license at 753 Leesburg Pike, Suite 202, Falls Church, VA

BFI930620 Bank of Hampton Roads, The
To open a branch at 117 Market Street, Suffolk, VA

BFI930621 GPT Mortgage Corporation
To relocate office from 1835 University Blvd., #114 to 1835 University Blvd., Adelphi, MD

BFI930622 East West Mortgage Co. Inc.
To open an office at 1568 Spring Hill Rd., Suite 100, McLean, VA

BFI930624 First Financial Funding Inc.
To relocate office from 4465 Salem Lane to 4821 Foxhall Crescent Dr., Washington, DC

BFI930625 PHH US Mortgage Corporation
To relocate office from 55 Haddonfield Rd., Cherry Hill, NJ to 6000 Atrium Way, Mt. Laurel, NJ

BFI930626 Consolidated Mortgage & Financial Services Corp.
For a mortgage lender and broker license at 1901 N. Harrison Ave. and 8280 Greensboro, Cary, NC

BFI930627 Performance Investment Corp. t/a Job In Mortgage Corp.
For a mortgage broker license at 3890 Braddock Road, Suite 203, Centreville, VA

BFI930628 Southeast Mortgage Banking
To relocate office from 5441 VA Beach Blvd. to 812 Newtown Road, VA Beach, VA

BFI930629 Southeast Mortgage Banking
To open an office at 14569 D, Jefferson Davis Highway, Woodbridge, VA

BFI930630 Mortgage Lending Corporation
To relocate office from 1700 Diagonal Rd., #515 to 1700 Diagonal Rd., #420, Alexandria, VA

BFI930631 Coastal Mortgage Corporation
For a mortgage broker's license at 13936 Middle Creek Place, Centreville, VA

BFI930632 Countryside Mortgage Services
For a mortgage broker's license at 487-A Carlisle Drive, Herndon, VA

BFI930633 Frederick Credit Union
For appointment of a receiver pursuant to VA Code § 6.1-225.8

BFI930634 Crestar Financial Corporation
To merge into it Providence Savings and Loan Association F.A.

BFI930635 Crestar Financial Corporation
To acquire 100% of the voting stock of Providence Savings and Loan Association F.A.

BFI930636 Commercial Credit Loans, Inc.
To conduct consumer finance business where title insurance business will also be conducted

BFI930637 Cotsamire, Leslie James
For a mortgage broker's license at 5720 Williamson Road, Roanoke, VA

BFI930638 First Chesapeake Mortgage
For a mortgage lender and broker license at 9011 Arboretum Parkway, Richmond, VA

BFI930639 Mustafa, Kamal
For a mortgage broker's license at 3026 Pickering Drive, Germantown, MD

BFI930640 Magic Mortgage Co. Inc.
Alleged violation of VA Code § 6.1-413

BFI930641 Associates Financial Services of America Inc.
To open an office at 7070 F East Market Street, Leesburg, VA

BFI930642 Associates Financial Services of America Inc.
To open an office at 3700 Candler's Mountain Road, Lynchburg, VA

BFI930643 Associates Financial Services of America Inc.
To open an office at 9526 Lee Jackson Highway, Fairfax, VA

BFI930644 Associates Financial Services of America Inc.
To open an office at 705 Warrenton Center, Warrenton, VA

BFI930645 Martinez-Baldivia, Esther
For a mortgage broker's license at 14120 Parke-Long Court, Suite 103, Chantilly, VA

BFI930646 Mortgage Authority Inc. The
To relocate office from 1950 Gallows Road, Vienna, VA to 12150 East Monument Dr., Fairfax, VA

BFI930647 Home Mortgage Center Inc.
To open an office at 1700 Diagonal Road, Suite 515, Alexandria, VA

BFI930648 PMC Mortgage Corporation
To relocate office from 3110 Mount Vernon Avenue, Suite 100, Alexandria, VA

BFI930649 Metropolitan Mortgage Corp.
To relocate office from 8607 Westwood Center Dr. to 8230 Boone Blvd., Suite 300, Vienna, VA

BFI930650 Washington Suburban Financial Services Inc.
To open an office at 4435 Waterfront Drive, Suite 103, Glen Allen, VA

BFI930651 Crestar Bank
To merge into it Virginia Federal Savings Bank

BFI930652 Associates Financial Services Co. of Virginia Inc.
To conduct consumer finance business where business of mortgage lending will also be conducted

BFI930653 Associates Financial Services Co. of Virginia Inc.
To conduct consumer finance business where personal property insurance business will also be conducted

BFI930654 Associates Financial Services Co. of Virginia Inc.
To conduct consumer finance business where business of sales finance will also be conducted

BFI930655 Associates Financial Services Co. of Virginia Inc.
To conduct consumer finance business where business of revolving credit will also be conducted

BFI930656 Associates Financial Services Co. of Virginia Inc.
To open an office at 707 F East Market Street, Leesburg, VA

BFI930657 Associates Financial Services Co. of Virginia Inc.
To open an office at 9526 Lee Jackson Highway, Fairfax, VA

BFI930658 Associates Financial Services Co. of Virginia Inc.
To open an office at 705 Warrenton Center, Warrenton, VA

BFI930659 Associates Financial Services Co. of Virginia Inc.
To open an office at 3700 Candler's Mountain Road, Lynchburg, VA

BFI930660 Mortgage Service America
Alleged code violation of VA Code § 6.1-416

BFI930661 American Finance & Investment
To relocate office from 3613-C Chain Bridge Road to 3609-E Chain Bridge Road, Fairfax, VA

BFI930662 Cook & Associates Inc. d/b/a Peter Cook Mortgage
To open an office at 626 South Sycamore Street, Petersburg, VA

BFI930663 American Residential Mortgage
To open an office at 15200 Shady Grove Road, Rockville, MD

BFI930664 Colonial Pacific Mortgage Co. t/a Ramsay Mortgage Company
To open an office at 5904 Richmond Highway, Alexandria, VA

BFI930665 Colonial Pacific Mortgage Co. t/a Ramsay Mortgage Co., Inc.
To open an office at 5408 Wisconsin Avenue, Chevy Chase, MD

BFI930666 Colonial Pacific Mortgage Co. t/a Ramsey Mortgage Company, Inc.
To open an office at 19634 Club House Road, Suite 310, Gaithersburg, MD

BFI930667 Advantage Capital Association
For a mortgage broker's license at 5875 Burnett Lane, Ruckersville, VA

BFI930668 Imperial Credit Industries
For a mortgage lender's license at 900 Lanidex Plaza and 1800 Diagonal Road, Alexandria, VA

BFI930669 Lindley Mortgage Corporation
To relocate office from 12120 Sunset Hills Road to 13119 Farmsted Court, Herndon, VA

BFI930670 Inzaina, Tommy C. & Edith A. t/a Advantage Mortgage Corporation
To open an office at 3905 Crestview Rd., Richmond, VA

BFI930671 Tredegar Trust Company, The
To begin a trust business at 823 East Main St., Richmond, VA

BFI930672 Trust Company of Virginia
To begin a trust business at 6800 Paragon Place, Suite 237, Henrico County, VA

BFI930673 Mortgage Service America Co.
To open an office at 190 Admiral Cochrane Drive, Suite 180, Annapolis, MD

BFI930674 Bankers First Mortgage Co. Inc.
To relocate office from Tyson's Business Center to 8321 Old Courthouse Road, Vienna, VA

BFI930675 Bankers First Mortgage Co. Inc.
For a mortgage broker's license at several locations

BFI930676 American Finance and Investment
Alleged violation of VA Code § 6.1-413

BFI930677 Gjerulff, Richard
Alleged violation of VA Code § 6.1-415

BFI930678 Centurion Financial Ltd.
For a mortgage lender's license at several locations

BFI930679 York, Margaret L.
For a mortgage broker's license at 8065 Oakcrest Lane, Fairfax Station, VA

BFI930680 Financial Technologies Inc.
For a mortgage broker's license at 5335 Wisconsin Avenue, Suite 440, Washington, DC

BFI930681 Wilson, Michael C.
For a mortgage broker's license at Route 3, Box 1082, Galax, VA

BFI930682 United States Mortgage Corp. of Delaware Inc.
For a mortgage broker's license at several locations

BFI930683 City Mortgage Corporation
To open an office at 930 M Street, NW, Suite 114, Washington, DC

BFI930684 Commercial Credit Loans Inc.
To relocate office from 9428 Main St., Fairfax City, VA to 3040 Williams Dr., Fairfax, VA

BFI930685 Custom Mortgage Company
For a mortgage broker's license at 1760 Reston Parkway, Suite 214, Reston, VA

BFI930686 Tidewater First Financial
To open an office at 4490 Holland Office Park, Suite 100, VA Beach, VA

BFI930687 First Virginia Bank
To open a branch at 6686 Springfield Mall, Fairfax County, VA

BFI930688 Citizens Bank of Virginia
To open a branch at 8432 Old Keene Mill Road, Springfield, VA

BFI930689 Colonial Pacific Mortgage Co. t/a Ramsay Mortgage Co., Inc.
To open an office at 908 King Street, Alexandria, VA

BFI930690 Dooley, Mary P.
For a mortgage broker's license

BFI930691 Waterford Mortgage Corporation
To relocate office from 1320 Old Chain Bridge Rd., Suite 450 to 8321 Old Courthouse Rd., Suite 251, McLean, VA

BFI930692 Choice Mortgage Corporation
To open an office at 9017 Shady Grove Court, Gaithersburg, MD

BFI930693 Choice Mortgage Corporation
To open an office at 2 Pidgeon Hill Drive, Suite 280, Sterling, VA

BFI930694 Goyette, Richard L.
For a mortgage broker's license at 3216 Clubhouse Circle, VA Beach, VA

BFI930695 Fraser, William
To relocate office from 10560 Main St., PH8 to 10560 Main St., Suite 305, Fairfax, VA

BFI930696 Colonial Pacific Mortgage Co.
To relocate office from 4314 Montgomery Avenue to 1575 Spring Hill Road, Vienna, VA

BFI930697 Coastal American Mortgage
For a mortgage broker's license at 423 Supplejack Court, Chesapeake, VA

BFI930698 Budget Mortgage Inc.
For a mortgage broker's license at 1205 Twig Terrace, Silver Spring, MD

BFI930699 Salem Financial LC
For a mortgage broker's license at 4747 Lantern Street, Roanoke, VA

BFI930700 Davenport-Dukes Associates
To acquire 100% ownership of Davenport-Dukes Mortgage Service Corporation

BFI930701 Household Realty Corp. d/b/a Household Realty Corp. of Virginia
To relocate office from 9560 Old Keene Mill Rd., Burke, VA to 11210 James Swart, Fairfax, VA

BFI930702 K Hovnanian Mortgage Inc.
For a mortgage lender and broker license at 12150 Monument Drive, Fairfax, VA

BFI930703 Associates Financial Services of America Inc.
To open an office at 170 Southpark Blvd., Colonial Heights, VA

BFI930704 Commercial Credit Corporation
To open an office at 789 Piney Forest Road, Suite 2, Danville, VA

BFI930705 Fortune Mortgage Banking Co.
To open an office at 2108 A Gallows Road, Suite 1, Vienna, VA

BFI930706 Best Mortgage Inc.
For a mortgage broker's license at 3328 Monarch Lane, Annandale, VA

BFI930707 Consumer Credit Counseling Service of Virginia Inc.
To open an office at 1044 East Church Street, Martinsville, VA

BFI930708 Consumer Credit Counseling Service of Virginia Inc.
To open office at 1128 North Battlefield Blvd., Suite 10, Chesapeake, VA

BFI930709 Business Advisory Systems Inc.
To open an office at 314 West King Street, Martinsburg, WV

BFI930710 Koepsell, Terry W.
For a mortgage broker's license at 14120 Long Parke Court, Chantilly, VA

BFI930711 Commercial Credit Loans Inc.
To conduct consumer finance business where business of mortgage lending will also be conducted

BFI930712 Commercial Credit Loans Inc.
To conduct consumer finance business where property insurance business will also be conducted

BFI930713 Commercial Credit Loans Inc.
To conduct consumer finance business where business of revolving loans will also be conducted

BFI930714 Commercial Credit Loans Inc.
To conduct consumer finance business where non-filing insurance business will also be conducted

BFI930715 Commercial Credit Loans Inc.
To conduct consumer finance business where business of sales finance will also be conducted

BFI930716 Commercial Credit Loans Inc.
To conduct consumer finance license at 789 Piney Forest Road, Suite 2, Danville, VA

BFI930717 Associates Financial Services Co. of Virginia Inc.
To conduct consumer finance business where business of mortgage lending will also be conducted

BFI930718 Associates Financial Services Co. of Virginia Inc.
To conduct consumer finance business where business of revolving credit will also be conducted

BFI930719 Associates Financial Services Co. of Virginia Inc.
To conduct consumer finance business where business of sales finance will also be conducted

BFI930720 Associates Financial Services Co. of Virginia Inc.
To conduct consumer finance business where property insurance business will also be conducted

BFI930721 Associates Financial Services Co. of Virginia Inc.
For a consumer finance license at 170 Southpark Blvd., Colonial Heights, VA

BFI930722 Citizens Financial Corporation
For a mortgage broker's license at 3163 Olde Oak Road, Roanoke, VA

BFI930723 Signet Bank/Virginia
To open an EFT branch at Public Facility Building Old Dominion University, Hampton Blvd., 49th St., Norfolk, VA

BFI930724 First Commonwealth Bank
To open a branch at 1026 Park Avenue, Norton, VA

BFI930725 Stevens, Linda
To acquire 50% of Edmunds Financial Corporation

BFI930726 Carl I. Brown & Company d/b/a Regency Funding
To open an office at 8230 Old Courthouse Road, Vienna, VA

BFI930727 Colonial Pacific Mortgage Co. t/a Ramsay Mortgage Company, Inc.
To open an office at Halesford Center, Suite K, Moneta, VA

BFI930728 Ryland Mortgage Company
To relocate office from 10045 Midlothian Turnpike to 7202 Glen Forest Drive, Richmond, VA

BFI930729 Washington Suburban Financial Services Inc.
To open an office at 860 Greenbrier Circle, Suite 404, Chesapeake, VA

BFI930730 Poff, N. Thomas
For a mortgage broker's license at 155 Arrowhead Trail, Christiansburg, VA

BFI930731 Vina Home Mortgage Corporation
For a mortgage broker's license at 1717 Elton Road, Suite 207, Silver Spring, MD

BFI930732 Camden Home Mortgage Corp.
For a mortgage lender's license at 10500 Little Patuxent Parkway and 4101 Cox Road, Glen Allen, VA

BFI930733 Longshire Mortgage Corp.
For a mortgage broker's license at 1042 Bellview Road, McLean, VA

BFI930734 GMAC Mortgage Corporation of Pennsylvania
To open a office at 521 Fellowship Road, Suite 150, Mt. Laurel, NJ

BFI930735 White, Gerald Randall
For a mortgage broker's license at 1350 Boydton Plank Road, Dinwiddie, VA

BFI930736 Household Realty Corp. Household Realty Corp. of Virginia
To relocate office from 2050-52 Plank Rd., Fredericksburg, VA to 914 Bragg Rd., Spotsylvania County, VA

BFI930737 Bank of Alexandria
To relocate branch from 507 King St. to 606 King St., Alexandria, VA

BFI930738 George Mason Bank, The
To open a branch at 13060 Fair Lakes Blvd., Fairfax, VA

BFI930739 Carlton Mortgage Corporation
For a mortgage broker's license at 12510 Bracken Hill Lane, Potomac, MD

BFI930740 Commercial Credit Loans Inc.
To conduct consumer finance business where title insurance business will also be conducted

BFI930741 Best Mortgage Services Inc.
For a mortgage broker's license at 3028 Javier Road, Suite 216, Fairfax, VA

BFI930742 Federal Funding Mortgage Corp.
For a mortgage broker's license at 6500 Rock Spring Drive, Suite 404, Bethesda, MD

BFI930743 First Chesapeake Financial Corporation
To acquire 100% of Waterford Mortgage Corporation

BFI930744 Middleburg National Bank, The
For authority to convert to a state bank under the name of The Middleburg National Bank

BFI930745 Independent Community
To acquire 100% of the voting stock of The Middleburg National Bank

BFI930746 Aqcess Mortgage Inc.
For a mortgage broker's license at 13320 Occoquan Road, Woodbridge, VA

BFI930747 Paul Silverstein Associates
To relocate office from 508 North Meadow Street to 2116 Dabney Road, Richmond, VA

BFI930748 National Mortgage Investment
To open an office at 600 Thimble Shoals Boulevard, Newport News, VA

BFI930749 CTX Mortgage Company
To open an office at 612 Lynnhaven Parkway, #330, VA Beach, VA

BFI930750 Nations Bank Corporation
To acquire Corpus Christi National Bank, 500 North Shoreline, Corpus Christi, TX

BFI930751 Modern Mortgage & Investors
For a mortgage broker's license at 2010 Corporate Ridge, Suite 700, McLean, VA

BFI930752 Capitol Financial Services
For a mortgage broker's license at 4794 Finley Street, Richmond, VA

BFI930753 Foxhall Mortgage Corporation
For a mortgage broker's license at 4380 MacArthur Blvd., NW, Suite 200, Washington, DC

BFI930754 Eastern Fidelity Mortgage
To relocate office from 6136 Peters Creek Road, Suite B to 636 Peters Creek Road, Suite G, Roanoke, VA

BFI930755 Lenders Financial Corp.
To open an office at 7275 Glen Forest Drive, Suite 302, Richmond, VA

BFI930756 Lenders Financial Corp.
To open an office at 600 Columbus Center, Suite 643, VA Beach, VA

BFI930757 Freedom Home Mortgage Corp.
To relocate office from 6417 Loisdale Road, Suite 309A, Springfield, VA to 12030 Sunrise Valley Dr., Suite 134, Reston, VA

BFI930758 American Independent Mortgage
To relocate office from 1200 Johnson Ferry Road, Suite 240, Marietta, GA to 3100 Cumberland Circle, Suite 1200, Atlanta, GA

BFI930759 Colonial Pacific Mortgage Co. t/a Ramsay Mortgage Company, Inc.
To open an office at 2807 D Wilmington Road, New Castle, PA

BFI930760 Hamilton Financial Corporation
For a mortgage lenders license at 525 Market St. and 5775 B Glenridge Dr., Atlanta, GA

BFI930761 Homeowners Mortgage Co.
For a mortgage brokers license at 737 Thimble Shoals Blvd., Suite 103, Newport News, VA

BFI930762 Signature Mortgage Corp.
To relocate office from 4314 Montgomery Ave., Bethesda, MD to 30 W. Gude Dr., Rockville, MD

BFI930763 Mortgage Service America Co.
To open an office at 3333-B Station House, Chesapeake, VA

BFI930764 Mortgage Service America
To open an office at 206d Temple Ave., Colonial Heights, VA

BFI930765 Mortgage USA Inc.
To relocate office from 8560 Second Avenue to 1952 Gallows Road, Suite 305 A, Vienna, VA

BFI930766 Maryland Home Mortgage Corp. t/a Imperial Financial
For a mortgage and broker's license at 8260 Greensboro Drive, Suite 120, McLean, VA

BFI930767 Home Mortgage Loan Company
For a mortgage broker's license at 607 Twin Ridge Lane, Richmond, VA

BFI930768 Patriot Mortgage Company LP
For a mortgage lender's license

BFI930769 First Fidelity Mortgage Corp.
To relocate office from 10468 A Courthouse Road, Spotsylvania, VA to 4425 Lafayette Blvd.

BFI930770 Home Equity Mortgage Inc.
For a mortgage broker's license at 8545 Patterson Avenue, Suite 203, Richmond, VA

BFI930771 GMAC Mortgage Corp. of Pennsylvania
To relocate office from 10565 Lee Highway, #104 to 10201 Lee Highway, Fairfax, VA

BFI930772 Strategic Financial Group Inc.
For a mortgage broker's license at 10338 Battleview Parkway, Manassas, VA

BFI930773 Consumer Credit Counseling Service of Greater Washington
To open an office at 801 North Pitt Street, Suite 117, Alexandria, VA

BFI930774 Prestige Financial Services
For a mortgage license at 2310 NW 3rd Avenue and 966 Hungerford Drive, Rockville, MD

BFI930775 American Mortgage Reduction
For a mortgage broker's license at 1162 North Pitt St., Alexandria, VA

BFI930776 GMAC Mortgage Corp. of Pennsylvania
To open an office at One Lower Ragsdale Dr., Building 1, Suite 200, Monterey, CA

BFI930777 GMAC Mortgage Corp. of Pennsylvania
To relocate office from 521 Fellowship Rd., #150 to 521 Fellowship Rd., Suite 115, Mt. Laurel, NJ

BFI930778 Mortgage Investment Corp.
To open an office at 4502 Starkey Rd., SW, Suite 5, Roanoke, VA

BFI930779 Unity Mortgage Corporation
To open an office at 2603 North Main Street, Suite C, Danville, VA

BFI930780 Colonial Pacific Mortgage Co. t/a Ramsay Mortgage Co. Inc.
To open an office at 6401 Golden Triangle Drive, Suite 450, Greenbelt, MD

BFI930781 Crestar Bank
To open an office at Graves Mill Center Shopping Center, Route 221, Bedford County, VA

BFI930782 Crestar Bank
To open an office at Ironbridge Plaza Shopping Center, southwest corner of Route 10

BFI930783 Unity Mortgage Corporation
To relocate office from 1700 Rockville Pike, Rockville, MD to 9801 Broken Land Parkway

BFI930784 Franklin Mortgage Capital Corporation
To open an office at 6500 Rock Spring Drive, #100, Bethesda, MD

BFI930785 Franklin Mortgage Capital Corporation
To open an office at 1749 Old Meadow Road, #100, McLean, VA

BFI930786 North American Mortgage Co.
To open an office at 8230 Courthouse Road, 3rd Floor, Vienna, VA

BFI930787 Citizens National Mortgage
For a mortgage lender's license at 8787 Complex Drive and 2515 Camino Del Rio South, San Diego, CA

BFI930788 Crestar Bank
To open an office at 8240 Leesburg Pike, Tysons Corner, Fairfax, VA

BFI930789 Crestar Bank
To open an office at 11301 Sunset Hills Road, Fairfax, VA

BFI930790 Crestar Bank
To open an office at 1451 Dolley Madison Avenue, Fairfax, VA

BFI930791 Crestar Bank
To open an office at 6257 A Old Dominion Drive, Fairfax, VA

BFI930792 Norwest Financial Inc.
To relocate office from 7529 Presidential Lane to 7622 Streamwalk Lane, Prince William County, VA

BFI930793 Kyong-Ho Mun, Brian
To open an office at 6500 Arlington Boulevard, Suite 209, Falls Church, VA

BFI930794 Colonial Pacific Mortgage Co.
To open an office at 4465 Old Branch Ave., #102, Temple Hills, MD

BFI930795 Commercial Credit Corporation
To open an office at 6512N Mechanicsville Turnpike, Mechanicsville, VA

BFI930796 Banc One Financial Services
To open a consumer finance office at 5446 Southpoint Plaza Way, Spotsylvania County, VA

BFI930797 C&F Bank
To begin banking business at 8th and Main Streets, West Point, VA upon merger

BFI930798 Unity Mortgage Corporation
To open an office at 2010 Corporate Ridge, Suite 700, McLean, VA

BFI930799 GE Capital Mortgage Services
To open an office at 222 South West Monte Drive, Suite 300, Altamonte Springs, FL

BFI930800 Commercial Credit Loans Inc.
To conduct consumer finance business where property insurance business will also be conducted

BFI930801 Commercial Credit Loans Inc.
To conduct consumer finance business where business of revolving loans will also be conducted

BFI930802 Commercial Credit Loans Inc.
To conduct consumer finance business where business of mortgage lending will also be conducted

BFI930803 Commercial Credit Loans Inc.
To conduct consumer finance business where business of sales finance will also be conducted

BFI930804 Commercial Credit Loans Inc.
To conduct consumer finance business where business of non-filing insurance will also be conducted

BFI930805 Commercial Credit Loans Inc.
To conduct consumer business 6512 North Mechanicsville Turnpike, Mechanicsville, VA

BFI930806 Commercial Credit Loans Inc.
To conduct consumer finance business where business of title insurance will also be conducted

BFI930807 Sun Mortgage Corporation
To relocate office from 658 West Fox Court to 431 South Witchduck Road, VA Beach, VA

BFI930808 Colonial Pacific Mortgage Co.
To open an office at 3554 Chain Bridge Road, Suite 202, Fairfax, VA

BFI930809 CMK t/a Mortgage Capital Investors
To open an office at 5900 Centreville Road, Centreville, VA

BFI930810 Lotus Mortgage Company LC
For a mortgage broker's license at 7297-I Lee Highway, Falls Church, VA

BFI930811 Liberty Financial Services
To relocate office from 1401 Rockville Pike, Suite 520 to 140 Rockville Pike, Suite 120, Rockville, MD

BFI930812 Nationwide Mortgage Group
For a mortgage lender's license at 10777 Main St., #200, Fairfax, VA

BFI930813 RDM Mortgage Inc.
For a mortgage broker's license at 10615 Judicial Dr., #603, Fairfax, VA

BFI930814 Oakwood Acceptance Corp.
To relocate office from 601 S. William St. to 2225 S. Holden Rd., Greensboro, NC

BFI930815 Choice Mortgage Corp.
For a mortgage broker's license at several locations

BFI930816 Hansen Financial Services Inc.
For a mortgage broker's license at 1368 Woodside Dr., McLean, VA

BFI930817 Peoples Home Equity Corp.
For a mortgage broker's license at 412 Darby Way, Bridgeville, PA

BFI930818 Waterford Mortgage Corp.
Alleged violation of VA Code § 6.1-416

CLK: CLERK'S OFFICE

CLK930020 Election of Chairman
Pursuant to VA Code § 12.1-7

CLK930021 Dixicoal Management Co., Inc.
For dissolution in accordance with VA Code § 13.1-749

CLK930518 Kemron Environmental Services
Foreign max case stimulus

CLK930664 Chrysler Financial Corporation
Foreign max case stimulus

CLK930665 Healthco International, Inc.
Foreign max case stimulus

CLK930666 International Paper Realty Corp.
Foreign max case stimulus

CLK930667 Value Health, Inc.
Foreign max case stimulus

CLK930669 SSI Services, Inc.
Foreign max case stimulus

CLK930670 Morse Shoe, Inc.
Foreign max case stimulus

CLK930671 Medasys, Inc.
Foreign max case stimulus

CLK930673 Eichelbergers, Inc.
Foreign max case stimulus

CLK930710 Plibrico Sales and Service Inc.
Foreign max case stimulus

CLK930711 Information Management Applications Inc.
Foreign max case stimulus

CLK930712 Crescendo Communications, Inc.
Foreign max case stimulus

CLK930730 Akbar, Alex M., Petitioner v. The Weston Co.
Petition for institution of investigation

CLK930800 Perry, Roy L. v. Anti-Defamation League of B'nai B'rith
For revocation of certificate of authority to do business in Virginia

CLK930854 Carolina Coca-Cola Bottling
Petition pursuant to VA Code § 13.1-614

CLK930867 National Rural Telecommunications Cooperative
For review of decision denying application for certificate of authority to do business in Virginia

INS: BUREAU OF INSURANCE

INS920443 Ex Parte: Refunds
Refunding overpayments of premium taxes, assessments for maintenance of Bureau of Insurance and penalties pursuant to VA Code § 58.1-2030

INS930001	Corroon & Black of San Jose Alleged violation of VA Code § 38.2-1802
INS930002	Owens, Joe K. Alleged violation of VA Code §§ 38.2-1813 and 38.2-1802
INS930003	Jelani, Thabit E. Alleged violation of VA Code § 38.2-1813
INS930004	Ex Parte: Board members Appointing board members pursuant to VA Code § 38.2-1867
INS930005	Continental Insurance Company, et al. Alleged violation of VA Code §§ 38.2-304, 38.2-305, et al.
INS930006	Breeden, Jeffrey Randall Alleged violation of VA Code §§ 38.2-512 and 38.2-504
INS930007	Atlanta Casualty Company, et al. Alleged violation of VA code §§ 38.2-305, 38.2-510, et al.
INS930008	Federal Insurance Company, et al. Alleged violation of VA Code §§ 38.2-231, 38.2-304, et al.
INS930009	Hamilton Insurance Company Alleged violation of VA Code §§ 38.2-610, 38.2-1906, et al.
INS930010	Insurance Corporation of America To eliminate impairment and restore surplus to minimum amount required by law
INS930011	Shorter, Diana Barlow For a cease and desist order
INS930012	Richardson, John W. Alleged violation of VA Code § 38.2-1822
INS930013	Lawyers Title Insurance Corp. Alleged violation of VA Code § 38.2-1822
INS930014	Liberty Mutual Insurance Co. Alleged violation of Section 4.4 and 4.6 of Rules Governing Insurance Premium Finance Companies
INS930015	Daughtry, Carl H. Jr. Alleged violation of VA Code § 38.2-512
INS930016	Medina, Joseph Alleged violation of VA code § 38.2-512
INS930018	Coastal States Life Insurance Co. Alleged violation of VA Code § 38.2-1040
INS930019	Travelers Indemnity Co., The Alleged violation of VA Code § 38.2-1812.A
INS930020	Huff, Rex Sr. Alleged violation of VA Code § 38.2-1802.A
INS930021	Jones, George A. Alleged violation of VA Code § 38.2-1802.A
INS930022	Ferrer, Francisco B. Alleged violation of VA Code § 38.2-1802.A
INS930023	Seay, William R. Alleged violation of VA Code § 38.2-1802.A
INS930024	Orange, Brenda B. Alleged violation of VA Code § 38.2-1802.A
INS930025	Bollinger, Glen R. Alleged violation of VA Code § 38.2-1802.A
INS930026	Schmucker, Daniel K. Alleged violation of VA Code § 38.2-1802.A
INS930027	Alavi, Mohamned Q. Alleged violation of VA Code § 38.2-1802.A
INS930028	Spiller, Jr. Lewis B. Alleged violation of VA Code § 38.2-1802.A
INS930029	Pratt, Donald G. Alleged violation of VA Code § 38.2-1802.A
INS930030	Verra, Thomas W. Alleged violation of VA Code § 38.2-1802.A
INS930031	Rose, Blair F. Alleged violation of VA Code § 38.2-1802.A
INS930032	Hailey, James Alleged violation of VA Code § 38.2-1802.A
INS930033	Matz, Arthur D. Alleged violation of VA Code § 38.2-1802.A
INS930034	Harmon, Harry L. Alleged violation of VA Code § 38.2-1802.A
INS930035	Cooper, Jacqueline S. Alleged violation of VA Code § 38.2-1802.A
INS930036	Griffin, Michael A. Alleged violation of VA Code § 38.2-1802.A
INS930037	Hester, William H. Alleged violation of VA Code § 38.2-1802.A

INS930038 Martin, Patricia
Alleged violation of VA Code § 38.2-1802.A

INS930039 Parsons, Lee R.
Alleged violation of VA Code § 38.2-1802.A

INS930040 Irving, Kenneth L.
Alleged violation of VA Code § 38.2-1802.A

INS930041 Kirchoff, Bruce E.
Alleged violation of VA Code § 38.2-1802.A

INS930043 Rogers, Shari
Alleged violation of VA Code § 38.2-1802.A

INS930044 Dawson, Steven
Alleged violation of VA Code § 38.2-1802.A

INS930045 Chewning, William L.
Alleged violation of VA Code § 38.2-1802.A

INS930046 Cox, III Parke H.
Alleged violation of VA Code § 38.2-1802.A

INS930047 Lumbermens Mutual Casualty Co.
Alleged violation of Regulation 6, subsection 4.6 of Rules Governing Insurance Premium Finance Companies

INS930048 Foster, Steven T.
Petition against Edward D. Simon and Charles P. Williams

INS930049 Harris, Ralph L.
Alleged violation of VA Code §§ 38.2-1813 and 38.2-512

INS930050 Moore, William F.
Alleged violation of VA Code § 38.2-1831

INS930051 Kentucky Central Life Insurance Co.
Alleged violation of VA Code § 38.2-1040(3)

INS930052 Park, Daniel Jongdale
Alleged violation of VA Code §§ 38.2-1813 and 38.2-1809

INS930053 Boyle, Charles
Alleged violation of VA Code § 38.2-512

INS930054 United Benefit Administrators Inc.
For an order to produce documents pursuant to VA Code § 38.2-1809

INS930056 Nationwide Mutual Insurance Co.
Alleged violation of VA Code § 38.2-1810

INS930057 Ott, Shawn E.
Alleged violation of VA Code §§ 38.2-1813 and 38.2-610

INS930058 Primerica Life Insurance Co.
Alleged violation of VA Code §§ 38.2-502.1, 38.2-502.4, 38.2-502.6, et al.

INS930059 Integon General Insurance Corp., et al.
Alleged violation of VA Code §§ 38.2-511, 38.2-610, et al.

INS930060 Consumers United Insurance Co.
Alleged violation of VA Code § 38.2-1040

INS930061 Atlantic Healthcare Benefits Trust and National Insurance Consultants, Inc.
Alleged violation of Title 38.2 of the Code of Virginia

INS930062 Inter-American Life Insurance Co.
To eliminate impairment and restore surplus to minimum amount required by law

INS930063 Federated Mutual Insurance Co.
Alleged violation of VA Code §§ 38.2-304, 38.2-231, et al.

INS930064 Kentucky Central Insurance
To eliminate impairment and restore surplus to minimum amount required by law

INS930065 Home Guaranty Insurance Corp.
Alleged violation of VA Code § 38.2-1331

INS930066 Shenandoah Life Insurance Co.
Alleged violation of VA Code § 38.2-211

INS930067 Ex Parte: Refunds
Refunding overpayment of estimated premium license tax and assessment pursuant to VA Code §§ 58.1-2526.B and 38.2-410.B

INS930068 Agway Inc. Group Trust
Alleged violation of Regulation 31

INS930069 Investment Life Insurance Co. of America
To eliminate impairment and restore surplus to minimum amount required by law

INS930070 Aimonetti, Jeffrey C.
Alleged violation of VA Code §§ 38.2-1813.A and 38.2-1813.B

INS930071 Hart, Clarence W., Jr.
Alleged violation of VA Code § 38.2-1813

INS930072 National Home Insurance Co.
Alleged violation of VA Code § 38.2-5103(8B)

INS930073 American Way Life Insurance Co.
For failure to provide audited financial statements for period ending 12/31/91

INS930074 American Financial Security Life Insurance Co.
Alleged violation of VA Code § 38.2-1040

INS930076 Centurion Health Plan
Alleged violation of Title 38.2 of the Code of Virginia

INS930077 Niblett, Susan Gail
Alleged violation of VA Code § 38.2-1813

INS930078 Life Insurance Company of Georgia, The
Alleged violation of VA Code § 38.2-1805.A

INS930079 Sharpe, Peter R.
Alleged violation of VA § 38.2-512

INS930080 United Behavioral Systems Inc.
Alleged violation of VA Code §§ 38.2-5301, et seq.

INS930081 Urbine, Kevin and Atlantic Aviation and Marine, Inc.
Alleged violation of VA Code § 38.2-1802

INS930083 Virginia Mutual Insurance Co.
Alleged violation of VA Code §§ 38.2-231, 38.2-304, 38.2-510.A.6, et al.

INS930084 Hovermill, Brigitte O.
Alleged violation of VA Code §§ 38.2-1813 and 38.2-1826

INS930085 Medical Protective Finance Corp.
Alleged violation of Section 6.1 of Rules Governing Insurance Premium Finance Companies

INS930086 Military Premium Managers
Alleged violation of Section 6.1 of Rules Governing Insurance Premium Finance Companies

INS930087 Insurer's Finance Company
Alleged violation of Section 6.1 of Rules Governing Insurance Premium Finance Companies

INS930088 Atlantic Security Inc.
Alleged violation of Section 6.1 of Rules Governing Insurance Premium Finance Companies

INS930089 Optima Health Plan
Alleged violation of VA Code § 38.2-4307

INS930090 Group Health Association Inc.
Alleged violation of VA Code § 38.2-4307

INS930091 Russell, Bobbie J.
Alleged violation of VA Code § 38.2-1813

INS930092 Chester, Sanford
Alleged violation of VA Code § 38.2-1822

INS930093 Blue Ridge Finance Company
Alleged violation Section 6.1 of Rules Governing Insurance Premium Finance Companies

INS930094 Provident Life & Accident Insurance Co.
Alleged violation of VA Code § 38.2-610

INS930095 Unirsc, Inc.
Alleged violation of VA Code § 38.2-4806

INS930096 Landin, Inc.
Alleged violation of VA Code § 38.2-4806

INS930097 Financial Guaranty Insurance Brokers, Inc.
Alleged violation of VA Code § 38.2-1802

INS930098 Rust Insurance Agency
Alleged violation of VA Code § 38.2-1802

INS930099 Providence Washington Insurance Co.
Alleged violation of VA Code § 38.2-1300

INS930100 Coronet Insurance Company
Alleged violation of VA Code § 38.2-1300

INS930101 Civil Service Employees Insurance Company
Alleged violation of VA Code § 38.2-1300

INS930102 Amex Assurance Company
Alleged violation of VA Code § 38.2-3419.1

INS930103 American Centurion Life & Accident Assurance Co.
Alleged violation of VA Code § 38.2-3419.1

INS930104 American Zurich Insurance Co.
Alleged violation of VA Code § 38.2-3419.1

INS930105 American Transcontinental Insurance Co.
Alleged violation of VA Code § 38.2-3419.1

INS930106 American Reliable Insurance Co.
Alleged violation of VA Code § 38.2-3419.1 and Regulation No. 38

INS930107 American Enterprise Life Insurance Co.
Alleged violation of VA Code § 38.2-3419.1

INS930108 American Employer's Insurance Co.
Alleged violation of VA Code § 38.2-3419.1 and Regulation No. 38

INS930109 American Centennial Insurance Co.
Alleged violation of VA Code § 38.2-3419.1 and Regulation No. 38

INS930110 Manufacturers Life Insurance Co. of America
Alleged violation of VA Code § 38.2-3419.1

INS930111 American Capital Life Insurance
Alleged violation of VA Code § 38.2-3419.1 and Regulation No. 38

INS930112 Alpine Life Insurance Company
Alleged violation of VA Code § 38.2-3419.1

INS930113 All American Life Insurance Co.
Alleged violation of VA Code § 38.2-3419.1 and Regulation No. 38

INS930114 Aid Association For Lutherans
Alleged violation of VA Code § 38.2-3419.1
INS930115 Aetna Life Insurance Company of America
Alleged violation of VA Code § 38.2-3419.1
INS930116 Aetna Life Insurance Company of Illinois
Alleged violation of VA Code § 38.2-3419.1
INS930117 Aetna Casualty & Surety Co., The
Alleged violation of VA Code § 38.2-3419.1 and Regulation No. 38
INS930118 Acceleration National Insurance Co.
Alleged violation of VA Code § 38.2-3419.1
INS930119 Acacia National Life Insurance Co.
Alleged violation of VA Code § 38.2-3419.1
INS930120 AAA Life Insurance Company
Alleged violation of VA Code § 38.2-3419.1
INS930121 Indianapolis Life Insurance Co.
Alleged violation of VA Code § 38.2-3419.1 and Regulation No. 38
INS930122 American National Fire Insurance Co.
Alleged violation of VA Code § 38.2-3419.1
INS930123 American Guarantee & Liability Insurance Co.
Alleged violation of VA Code § 38.2-3419.1
INS930124 Amex Life Assurance Company
Alleged violation of VA Code § 38.2-3419.1
INS930125 Associates Financial Life
Alleged violation of VA Code § 38.2-3419.1
INS930126 American Life Insurance Co.
Alleged violation of VA Code § 38.2-3419.1 and Regulation No. 38
INS930127 Lutheran Brotherhood
Alleged violation of VA Code § 38.2-3419.1
INS930128 Lone Star Life Insurance Co.
Alleged violation of VA Code § 38.2-3419.1
INS930129 Merit Life Insurance Company
Alleged violation of VA Code § 38.2-3419.1 and Regulation No. 38
INS930130 Merchants Insurance Company
Alleged violation of VA Code § 38.2-3419.1
INS930131 Medical Life Insurance Company
Alleged violation of VA Code § 38.2-3419.1
INS930132 Mayflower National Life Insurance Co.
Alleged violation of VA Code § 38.2-3419.1
INS930133 Massachusetts General Life Insurance Co.
Alleged violation of VA Code § 38.2-3419.1
INS930134 Massachusetts Casualty Insurance Co.
Alleged violation of VA Code § 38.2-3419.1
INS930135 Manufacturers Life Insurance Co.
Alleged violation of VA Code § 38.2-3419.1
INS930136 Maryland Casualty Company
Alleged violation of VA Code § 38.2-3419.1
INS930137 Markel Rhulen Insurance Co.
Alleged violation of VA Code § 38.2-3419.1
INS930138 Auto-Owners Insurance Co.
Alleged violation of VA Code § 38.2-3419.1
INS930139 Assured Life Association
Alleged violation of VA Code § 38.2-3419.1
INS930140 Mamsi Life & Health Insurance Co.
Alleged violation of VA Code § 38.2-3419.1 and Regulation No. 38
INS930141 Gaskin, Robert W.
Alleged violation of VA Code §§ 38.2-1813, 38.2-509, 38.2-503
INS930142 Golden Dental Plans of America, Inc.
Alleged violation of VA Code §§ 38.2-4500, 38.2-4517, et al.
INS930143 Mizelle, Mark K.
Alleged violation of VA Code § 38.2-1813
INS930144 Prudential Health Care Plan Inc.
Alleged violation of VA Code §§ 38.2-502.1, 38.2-510.A.5, et al.
INS930145 Salem Bank & Trust Company
Alleged violation of VA Code §§ 38.2-1812, 38.2-1822 and 38.2-1833
INS930146 Peoples Bank, Inc.
Alleged violation of VA Code §§ 38.2-1822, 38.2-1833, et al.
INS930147 Bank Title Company
Alleged violation of VA Code §§ 38.2-1812 and 38.2-1833
INS930148 Charter Financial Services Corp.
Alleged violation of VA Code §§ 38.2-1812 and 38.2-1833
INS930149 Bank of Southside Virginia
Alleged violation of VA Code §§ 38.2-1812 and 38.2-1833

INS930150 FNB Financial Services Inc.
Alleged violation of VA Code §§ 38.2-1812 and 38.2-1833

INS930151 Thomson Lipscomb/Title Equity Corp.
Alleged violation of VA Code §§ 38.2-1812, 38.2-1822, et al.

INS930152 Investors Title Insurance Co.
Alleged violation of VA Code §§ 38.2-1822, 38.2-1833, et al.

INS930153 Bank of Buchanan
Alleged violation of VA Code §§ 38.2-1822, 38.2-1833, and 38.2-1812

INS930154 Piedmont Bankgroup Inc. and PBG Insurance Services Co.
Alleged violation of VA Code §§ 38.2-1812, 38.2-1822, et al.

INS930155 Group Hospitalization & Medical Services, Inc.
Alleged violation of VA Code §§ 38.2-210, 38.2-211, et al.

INS930156 First Continental Life and Accident Insurance Co.
To eliminate impairment and restore surplus to minimum amount required by law

INS930157 Harleysville Life Insurance Co.
Alleged violation of VA Code § 38.2-3419.1

INS930158 Guardian Insurance and Annuity Co. Inc.
Alleged violation of VA Code § 38.2-3419.1 and Regulation No. 38

INS930159 Guarantee Mutual Life Company
Alleged violation of VA Code §§ 38.2-3419.1 and Regulation No. 38

INS930160 GroupAmerica Insurance Co.
Alleged violation of VA Code § 38.2-3419.1

INS930161 Group Health Association Inc.
Alleged violation of VA Code § 38.2-3419.1

INS930162 Greek Catholic Union of the USA
Alleged violation of VA Code § 38.2-3419.1 and Regulation No. 38

INS930163 Great-West Life Assurance Co.
Alleged violation of VA Code § 38.2-3419.1 and Regulation No. 38

INS930164 Great American Insurance Co.
Alleged violation of VA Code § 38.2-3419.1

INS930165 Front Royal Insurance Co.
Alleged violation of VA Code § 38.2-3419.1 and Regulation No. 38

INS930166 Ford Life Insurance Company
Alleged violation of VA Code § 38.2-3419.1

INS930167 First Variable Life Insurance Co.
Alleged violation of VA Code § 38.2-3419.1 and Regulation No. 38

INS930168 Glens Falls Insurance Co., The
Alleged violation of VA Code § 38.2-3419.1

INS930170 GAN National Insurance Co.
Alleged violation of VA Code § 38.2-3419.1

INS930171 First Penn-Pacific Life Insurance Co.
Alleged violation of VA Code § 38.2-3419.1

INS930172 First Investors Life Insurance Co.
Alleged violation of VA Code § 38.2-3419.1

INS930173 First Continental Life and Accident Insurance Co.
Alleged violation of VA Code § 38.2-3419.1

INS930174 Firemen's Insurance Company of Newark, New Jersey
Alleged violation of VA Code § 38.2-3419.1

INS930175 Firemark Insurance Company
Alleged violation of VA Code § 38.2-3419.1 and Regulation No. 38

INS930176 Fidelity Standard Life Insurance Co.
Alleged violation of VA Code § 38.2-3419.1 and Regulation No. 38

INS930177 Fidelity & Casualty Company of New York
Alleged violation of VA Code § 38.2-3419.1

INS930178 Federated Rural Electric Insurance Corp.
Alleged violation of VA Code § 38.2-3419.1

INS930179 Farmers New World Life Insurance
Alleged violation of VA Code § 38.2-3419.1 and Regulation No. 38

INS930180 Family Service Life Insurance Co.
Alleged violation of VA Code § 38.2-3419.1

INS930181 Capitol Bankers Life Insurance Co.
Alleged violation of VA Code § 38.2-3419.1 and Regulation No. 38

INS930182 Capital Investors Life Insurance Co.
Alleged violation of VA Code § 38.2-3419.1 and Regulation No. 38

INS930183 Buckeye Union Insurance Co.
Alleged violation of VA Code § 38.2-3419.1

INS930184 Boston Old Colony Insurance Co.
Alleged violation of VA Code § 38.2-3419.1

INS930185 Beneficial Life Insurance Co.
Alleged violation of VA Code § 38.2-3419.1 and Regulation No. 38

INS930186 Automobile Club Insurance Co.
Alleged violation of VA Code § 38.2-3419.1 and Regulation No. 38

INS930187 Automobile Insurance Co. of Hartford, Connecticut
Alleged violation of VA Code § 38.2-3419.1 and Regulation No. 38

INS930188 Automobile Club Insurance Co.
Alleged violation of VA Code § 38.2-3419.1

INS930189 Banner Life Insurance Co.
Alleged violation of VA Code § 38.2-3419.1 and Regulation No. 38

INS930190 Bankers United Life Assurance Co.
Alleged violation of VA Code § 38.2-3419.1 and Regulation No. 38

INS930191 Balboa Life Insurance Company
Alleged violation of VA Code § 38.2-3419.1

INS930192 Bankers Fidelity Life Insurance Co.
Alleged violation of VA Code § 38.2-3419.1 and Regulation No. 38

INS930193 Inter-American Life Insurance
Alleged violation of VA Code § 38.2-3419.1 and Regulation No. 38

INS930194 Integrity National Life Insurance Co.
Alleged violation of VA Code § 38.2-3419.1 and Regulation No. 38

INS930195 Integrated Resources Life Insurance Co.
Alleged violation of VA Code § 38.2-3419.1

INS930196 Insurance Company of Illinois
Alleged violation of VA Code § 38.2-3419.1 and Regulation No. 38

INS930197 Employers' Fire Insurance Co.
Alleged violation of VA Code § 38.2-3419.1 and Regulation No. 38

INS930198 Employers Reinsurance Corp.
Alleged violation of VA Code § 38.2-3419.1

INS930199 Midwestern United Life Insurance Co.
Alleged violation of VA Code § 38.2-3419.1 and Regulation No. 38

INS930200 Midland Mutual Life Insurance Co.
Alleged violation of VA Code § 38.2-3419.1

INS930201 Middle Atlantic Life Insurance
Alleged violation of VA Code § 38.2-3419.1 and Regulation No. 38

INS930202 Family Guardian Life Insurance Co.
Alleged violation of VA Code § 38.2-3419.1 and Regulation No. 38

INS930203 Equity National Life Insurance Co.
Alleged violation of VA Code § 38.2-3419.1 and Regulation No. 38

INS930204 Employers' Insurance of Wasau
Alleged violation of VA Code § 38.2-3419.1 and Regulation No. 38

INS930205 Electric Mutual Liability Insurance Co.
Alleged violation of VA Code § 38.2-3419.1 and Regulation No. 38

INS930206 Durham Life Insurance Company
Alleged violation of VA Code § 38.2-3419.1

INS930207 Dreyfus Life Insurance Company
Alleged violation of VA Code § 38.2-3419.1

INS930208 Dependable Insurance Co.
Alleged violation of VA Code § 38.2-3419.1 and Regulation No. 38

INS930209 Delta Life & Annuity Company
Alleged violation of VA Code § 38.2-3419.1 and Regulation No. 38

INS930210 Continental Reinsurance Corp.
Alleged violation of VA Code § 38.2-3419.1

INS930211 Continental Insurance Company
Alleged violation of VA Code § 38.2-3419.1

INS930212 Consumers United Insurance Co.
Alleged violation of VA Code § 38.2-3419.1 and Regulation No. 38

INS930213 Constitution Life Insurance Co.
Alleged violation of VA Code § 38.2-3419.1

INS930214 Confederation Life Insurance and Annuity Co.
Alleged violation of VA Code § 38.2-3419.1

INS930215 Commonwealth National Life Insurance Co.
Alleged violation of VA Code § 38.2-3419.1

INS930216 Commonwealth Dealers Life Insurance Co.
Alleged violation of VA Code § 38.2-3419.1 and Regulation No. 38

INS930217 Commercial Union Midwest Insurance Co.
Alleged violation of VA Code § 38.2-3419.1 and Regulation No. 38

INS930218 Commercial Union Life Insurance Co. of America
Alleged violation of VA Code § 38.2-3419.1

INS930219 Commercial Union Insurance Co.
Alleged violation of VA Code § 38.2-3419.1 and Regulation No. 38

INS930220 Commercial Life Insurance Co.
Alleged violation of VA Code § 38.2-3419.1 and Regulation No. 38

INS930221 Commercial Insurance Co of Newark, New Jersey
Alleged violation of VA Code § 38.2-3419.1

INS930222 Cologne Life Reinsurance Co.
Alleged violation of VA Code § 38.2-3419.1

INS930223	Cincinnati Insurance Company Alleged violation of VA Code § 38.2-3419.1 and Regulation No. 38
INS930224	Cincinnati Indemnity Company Alleged violation of VA Code § 38.2-3419.1 and Regulation No. 38
INS930225	Cincinnati Casualty Company Alleged violation of VA Code § 38.2-3419.1 and Regulation No. 38
INS930226	Cigna Life Insurance Company Alleged violation of VA Code § 38.2-3419.1
INS930227	Cheaspeake Life Insurance Co. Alleged violation of VA Code § 38.2-3419.1 and Regulation No. 38
INS930228	Life Insurance Co. of North America Alleged violation of VA Code § 38.2-3419.1 and Regulation No. 38
INS930229	Life Insurance Co. of The Southwest Alleged violation of VA Code § 38.2-3419.1 and Regulation No. 38
INS930230	Liberty Life Insurance Co. Alleged violation of VA Code § 38.2-3419.1 and Regulation No. 38
INS930231	Kemper Investors Life Insurance Co. Alleged violation of VA Code § 38.2-3419.1 and Regulation No. 38
INS930232	Kansas City Fire & Marine Insurance Co. Alleged violation of VA Code § 38.2-3419.1
INS930233	Kanawha Insurance Company Alleged violation of VA Code § 38.2-3419.1
INS930234	John Alden Life Insurance Co. Alleged violation of VA Code § 38.2-3419.1 and Regulation No. 38
INS930235	Jefferson Standard Life Insurance Co. Alleged violation of VA Code § 38.2-3419.1
INS930236	J C Penney Casualty Insurance Alleged violation of VA Code § 38.2-3419.1 and Regulation No. 38
INS930237	Investors Consolidated Insurance Co. Alleged violation of VA Code § 38.2-3419.1 and Regulation No. 38
INS930238	Inter-Continental Life Insurance Co. Alleged violation of VA Code § 38.2-3419.1 and Regulation No. 38
INS930239	Security Trust Life Insurance Co. Alleged violation of VA Code § 38.2-3419.1
INS930240	Security Life of Denver Insurance Co. Alleged violation of VA Code § 38.2-3419.1 and Regulation No. 38
INS930241	Security First Life Insurance Co. Alleged violation of VA Code § 38.2-3419.1 and Regulation No. 38
INS930242	Security Assurance Co. Alleged violation of VA Code § 38.2-3419.1 and Regulation No. 38
INS930243	Severs Life Insurance Co. Alleged violation of VA Code § 38.2-3419.1 and Regulation No. 38
INS930244	Royal Maccabees Life Insurance Co. Alleged violation of VA Code § 38.2-3419.1 and Regulation No. 38
INS930245	Royal Life Insurance Co. of America Alleged violation of VA Code § 38.2-3419.1 and Regulation No. 38
INS930246	Reliance National Property & Casualty Insurance Co. Alleged violation of VA Code § 38.2-3419.1 and Regulation No. 38
INS930247	Lititz Mutual Insurance Co. Alleged violation of VA Code § 38.2-3419.1 and Regulation No. 38
INS930248	Lincoln National Specialty Insurance Co. Alleged violation of VA Code § 38.2-3491.1 and Regulation No. 38
INS930249	Lincoln Memorial Life Insurance Co. Alleged violation of VA Code § 38.2-3419.1
INS930250	Lincoln Liberty Life Insurance Co. Alleged violation of VA Code § 38.2-3419.1 and Regulation No. 38
INS930251	Life Reassurance Corporation of America Alleged violation of VA Code § 38.2-3419.1
INS930252	Life Investors Insurance Co. of America Alleged violation of VA Code § 38.2-3419.1 and Regulation No. 38
INS930253	Planet Insurance Co. Alleged violation of VA Code § 38.2-3419.1 and Regulation No. 38
INS930254	Pierce National Life Insurance Co. Alleged violation of VA Code § 38.2-3419.1 and Regulation No. 38
INS930255	Piedmont American Life Insurance Co. Alleged violation of VA Code § 38.2-3419.1 and Regulation No. 38
INS930256	Physicians Mutual Insurance Co. Alleged violation of VA Code § 38.2-3419.1 and Regulation No. 38
INS930257	Physicians Life Insurance Co. Alleged violation of VA Code § 38.2-3419.1 and Regulation No. 38
INS930258	Phoenix Home Life Mutual Insurance Co. Alleged violation of VA Code § 38.2-3419.1 and Regulation No. 38

INS930259 Philadelphia Life Insurance Co.
Alleged violation of VA Code § 38.2-3419.1

INS930260 PFL Life Insurance Co.
Alleged violation of VA Code § 38.2-3419.1 and Regulation No. 38

INS930261 Painewebber Life Insurance Co.
Alleged violation of VA Code § 38.2-3419.1 and Regulation No. 38

INS930262 Pacific Standard Life Insurance Co.
Alleged violation of VA Code § 38.2-3419.1 and Regulation No. 38

INS930263 Order of the United Commercial Travelers of America
Alleged violation of VA Code § 38.2-3419.1 and Regulation No. 38

INS930264 Old Dominion Life Insurance Co.
Alleged violation of VA Code § 38.2-3419.1 and Regulation No. 38

INS930265 Northern Life Insurance Co.
Alleged violation of VA Code § 38.2-3419.1 and Regulation No. 38

INS930266 Northern Assurance Co. of America
Alleged violation of VA Code § 38.2-3419.1 and Regulation No. 38

INS930267 North Central Life Insurance Co.
Alleged violation of VA Code § 38.2-3419.1

INS930268 Polish National Alliance of the United States of North America
Alleged violation of VA Code § 38.2-3491.1 and Regulation No. 38

INS930269 Progressive American Insurance Co.
Alleged violation of VA Code § 38.2-3419.1 and Regulation No. 38

INS930270 Principal Mutual Life Insurance Co.
Alleged violation of VA Code § 38.2-3419.1 and Regulation No. 38

INS930271 Zurich Insurance Co.
Alleged violation of VA Code § 38.2-3419.1 and Regulation No. 38

INS930272 Zurich American Life Insurance Co.
Alleged violation of VA Code § 38.2-3419.1 and Regulation No. 38

INS930273 Zurich American Insurance Co. of Illinois
Alleged violation of VA Code § 38.2-3419.1 and Regulation No. 38

INS930274 Xerox Financial Services Life Insurance Co.
Alleged violation of VA Code § 38.2-3419.1 and Regulation No. 38

INS930275 Wausau Underwriters Insurance
Alleged violation of VA Code § 38.2-3419.1 and Regulation No. 38

INS930276 Wabash Life Insurance Company
Alleged violation of VA Code § 38.2-3419.1

INS930277 Vista Life Insurance Company
Alleged violation of VA Code § 38.2-3419.1

INS930278 Virginia Health & Accident Association
Alleged violation of VA Code § 38.2-3419.1 and Regulation No. 38

INS930279 Virginia Farm Bureau Mutual Insurance Co.
Alleged violation of VA Code § 38.2-3419.1

INS930280 Valiant Insurance Company
Alleged violation of VA Code § 38.2-3419.1 and Regulation No. 38

INS930281 Prudential Health Care Plan
Alleged violation of VA Code § 38.2-3419.1 and Regulation No. 38

INS930282 Union Labor Life Insurance Co.
Alleged violation of VA Code § 38.2-3419.1 and Regulation No. 38

INS930283 Providers Allcare Insurance Co.
Alleged violation of VA Code § 38.2-3419.1 and Regulation No. 38

INS930284 Provident Mutual Life Insurance Co. of Pennsylvania
Alleged violation of VA Code § 38.2-3419.1

INS930285 Reliance Insurance Co.
Alleged violation of VA Code § 38.2-3419.1

INS930286 Reinsurance Corp. of New York
Alleged violation of VA Code § 38.2-3419.1 and Regulation No. 38

INS930287 State Farm Annuity & Life Insurance Co.
Alleged violation of VA Code § 38.2-3419.1 and Regulation No. 38

INS930288 State Farm Life Insurance Co.
Alleged violation of VA Code § 38.2-3419.1 and Regulation No. 38

INS930289 Statesman National Life Insurance
Alleged violation of VA Code § 38.2-3419.1

INS930290 Summit National Life Insurance Co.
Alleged violation of VA Code § 38.2-3419.1 and Regulation No. 38

INS930291 Teacher's Protective Mutual Life Insurance Co.
Alleged violation of VA Code § 38.2-3419.1

INS930292 Toyota Motor Life Insurance Co.
Alleged violation of VA Code § 38.2-3419.1 and Regulation No. 38

INS930293 Aetna Casualty & Surety Co.
Alleged violation of Subsection 4.6 of Rules Governing Insurance Premium Finance Companies

INS930294 Transamerica Reinsurance Co.
Alleged violation of VA Code § 38.2-3419.1 and Regulation No. 38

INS930295 Twin City Fire Insurance Co.
Alleged violation of VA Code § 38.2-3419.1 and Regulation No. 38

INS930296 Union Benefit Life Insurance Co.
Alleged violation of VA Code § 38.2-3419.1

INS930297 Centennial Life Insurance Co., The
Alleged violation of VA Code § 38.2-3419.1 and Regulation No. 38

INS930298 Union Security Life Insurance Co.
Alleged violation of VA Code § 38.2-3419.1 and Regulation No. 38

INS930299 United Companies Life Insurance Co.
Alleged violation of VA Code § 38.2-3419.1

INS930300 United Equitable Insurance Co.
Alleged violation of VA Code § 38.2-3419.1 and Regulation No. 38

INS930301 United Pacific Insurance Co.
Alleged violation of VA Code § 38.2-3419.1 and Regulation No. 38

INS930302 United Republic Life Insurance Co.
Alleged violation of VA Code § 38.2-3419.1

INS930303 United Teacher Associates Insurance Co.
Alleged violation of VA Code § 38.2-3419.1 and Regulation No. 38

INS930304 United World Life Insurance Co.
Alleged violation of VA Code § 38.2-3419.1 and Regulation No. 38

INS930305 Universal Underwriters Insurance
Alleged violation of VA Code § 38.2-3419.1 and Regulation No. 38

INS930306 USG Annuity & Life Insurance Co.
Alleged violation of VA Code § 38.2-3419.1

INS930307 Utica National Life Insurance Co.
Alleged violation of VA Code § 38.2-3419.1

INS930308 Reliance National Insurance Co.
Alleged violation of VA Code § 38.2-3419.1 and Regulation No. 38

INS930309 Prudential Health Care Plan Inc.
Alleged violation of VA Code § 38.2-3419.1 and Regulation No. 38

INS930310 MML Bay State Life Insurance Co.
Alleged violation of VA Code § 38.2-3419.1

INS930311 Ministers Life - A Mutual Life Insurance Co.
Alleged violation of VA Code § 38.2-3419.1

INS930312 Standard Life & Casualty Insurance Co.
Alleged violation of VA Code § 38.2-3419.1

INS930313 St. Paul Guardian Insurance Co.
Alleged violation of VA Code § 38.2-3419.1 and Regulation No. 38

INS930314 St. Paul Fire & Marine Insurance Co.
Alleged violation of VA Code § 38.2-3419.1 and Regulation No. 38

INS930315 Sons of Norway
Alleged violation of VA Code § 38.2-3419.1

INS930316 Monumental Life Insurance Co.
Alleged violation of VA Code § 38.2-3419.1 and Regulation No. 38

INS930317 MML Pension Insurance Co.
Alleged violation of VA Code § 38.2-3419.1 and Regulation No. 38

INS930318 Munich American Reinsurance Co. of New York
Alleged violation of VA Code § 38.2-3419.1

INS930319 N C Mutual Life Insurance Co.
Alleged violation of VA Code § 38.2-3419.1 and Regulation No. 38

INS930320 North Atlantic Life Insurance Co.
Alleged violation of VA Code § 38.2-3419.1

INS930321 North American Reassurance Co.
Alleged violation of VA Code § 38.2-3419.1

INS930322 Niagara Fire Insurance Company
Alleged violation of VA Code § 38.2-3419.1

INS930323 New England Variable Life Insurance Co.
Alleged violation of VA Code § 38.2-3419.1

INS930324 New England Pension and Annuity Co.
Alleged violation of VA Code § 38.2-3419.1

INS930325 National Western Life Insurance Co.
Alleged violation of VA Code § 38.2-3419.1 and Regulation No. 38

INS930326 National Pension Life Insurance Co.
Alleged violation of VA Code § 38.2-3419.1 and Regulation No. 38

INS930327 National American Life Insurance Co. of Texas
Alleged violation of VA Code § 38.2-3419.1 and Regulation No. 38

INS930328 National American Life Insurance Co. of Pennsylvania
Alleged violation of VA Code § 38.2-3419.1 and Regulation No. 38

INS930329 Nacolah Life Insurance Co. of Texas
Alleged violation of VA Code § 38.2-3419.1

INS930330 Mutual of America Life Insurance Co.
Alleged violation of VA Code § 38.2-3419.1 and Regulation No. 38

INS930331 Mutual Life Insurance of Washington, DC
Alleged violation of VA Code § 38.2-3419.1

INS930332 Lumbermen's Mutual Casualty Co.
Alleged violation of Subsection 4.6 of Rules Governing Insurance Premium Finance Companies

INS930333 Flinn, Trey L.
Alleged violation of VA Code § 38.2-1813

INS930334 Reiver, Michael W.
Alleged violation of VA Code § 38.2-1813

INS930335 North Carolina Mutual Life Insurance Co.
Alleged violation of VA Code § 38.2-3419.1 and Regulation No. 38

INS930336 Savers Life Insurance Co.
Alleged violation of VA Code § 38.2-3419.1 and Regulation No. 38

INS930337 Dreyfus Consumer Life Insurance Co.
Alleged violation of VA Code § 38.2-3419.1 and Regulation No. 38

INS930338 Foster, Steven T.
Petition against Integrated Resources Life Insurance Company

INS930339 United Behavioral Systems
Alleged violation of VA Code § 38.2-5301

INS930340 Ward, Earl Ernest
Alleged violation of VA Code §§ 38.2-310 and 38.2-1813(B)

INS930341 Ahmed, S. K. & Crescent Agencies Incorporated
Alleged violation of VA Code § 2-1813

INS930342 Erie Insurance Company
Alleged violation of Subsection 4.4 of Rules Governing Insurance Premium Finance Companies

INS930343 Travelers Indemnity Company
Alleged violation of Subsection 4.4 of Rules Governing Insurance Premium Finance Companies

INS930344 Redland Insurance Company
Alleged violation of VA Code § 38.2-2223

INS930345 Powell, Charles & Powell Bracken Insurance Agency Inc.
Alleged violation of VA Code § 38.2-1813

INS930346 Prudential Insurance Company
Alleged violation of Section 5.C.3 of Rules Governing Multiple Employer Welfare Arrangements

INS930347 Agway Inc. Group Trust
Alleged violation of Section 5.C.1 Rules Governing Multiple Employer Welfare Arrangements

INS930348 St. Paul Mercury Insurance Co.
Alleged violation of VA Code § 38.2-3419.1 and Regulation No. 38

INS930349 American Public Life Insurance
Alleged violation of VA Code § 38.2-3419.1 and Regulation No. 38

INS930350 K & K Insurance Group Inc.
Alleged violation of VA Code § 38.2-4806

INS930351 Nationwide Life Insurance Co.
Alleged violation of VA Code §§ 38.2-610 and 38.2-219

INS930352 Fidelity Mutual Life Insurance Co.
Alleged violation of VA Code §§ 38.2-1300 and 38.2-1301

INS930353 American Integrity Insurance Co.
Alleged violation of VA Code § 38.2-1040

INS930354 Millers National Insurance Co.
Alleged violation of VA Code § 38.2-1040

INS930356 Pagan, Miguel A.
Alleged violations of VA Code §§ 38.2-1822 and 38.2-1812

INS930357 Randmark, Inc., Humana Inc. & Humana Insurance Co.
For order of termination and surrender of license

INS930358 O'Donohue, Lawrence J. Jr.
Alleged violation of VA Code § 38.2-1813

INS930359 American Reliance Insurance Co.
Alleged violation of VA Code §§ 38.2-317 and 38.2-1906

INS930360 Hartford Fire Insurance Co.
Alleged violation of VA Code § 38.2-1906

INS930361 Continental Casualty Co.
Alleged violation of VA Code § 38.2-1906

INS930362 National Fire Insurance Co. of Hartford
Alleged violation VA Code § 38.2-1906

INS930363 American Casualty Co. of Reading, Pennsylvania
Alleged violation of VA Code § 38.2-1906

INS930364 Valley Forge Insurance Co.
Alleged violation of VA Code § 38.2-1906

INS930365 Firemen's Insurance Co. of Washington, D.C.
Alleged violation of VA Code § 38.2-1906

INS930366 Blue Ridge Insurance Co.
Alleged violation of VA Code §§ 38.2-1906 and 38.2-317

INS930367 Vanguard Insurance Co.
Alleged violation of VA Code §§ 38.2-1906 and 38.2-317

INS930368 Republic Insurance Co.
Alleged violation of VA Code §§ 38.2-1906 and 38.2-317

INS930369 Aetna Casualty & Surety Co.
Alleged violation of VA Code §§ 38.2-317 and 38.2-1906

INS930370 Windsor Mount Joy Mutual Insurance Company
Alleged violation VA Code §§ 38.2-317 and 38.2-1906

INS930371 Travelers Indemnity Co., The
Alleged violation VA Code §§ 38.2-317, et al.

INS930372 Herald Fire Insurance Co.
Alleged violation VA Code § 38.2-1906

INS930373 Twin City Fire Insurance Co.
Alleged violation VA Code § 38.2-1906

INS930374 Fireman's Fund Insurance Co.
Alleged violation of VA Code § 38.2-1906

INS930375 Hartford Accident and Indemnity Co.
Alleged violation VA Code § 38.1906

INS930376 Hartford Casualty Insurance
Alleged violation VA Code § 38.2-1906

INS930377 Southern Insurance Company of Virginia
Alleged violation VA Code § 38.2-1906

INS930378 Sentry Insurance, A Mutual Co.
Alleged violation VA Code § 38.2-1906

INS930379 Associated Indemnity Corp.
Alleged violation VA Code § 38.2-1906

INS930380 Foster, Steven T. Commissioner v. Heinz A. Briegel & F.T. Joyner, Jr.
For judgment and other relief

INS930381 Willis Corroon Corp. of Maryland
Alleged violation of VA Code § 38.2-1802

INS930382 Ex Parte: Rules
For adoption of Rules Establishing Minimum Reserve Standards for Individual and Group Accident and Sickness Insurance Contracts

INS930383 Kirchoff, Bruce E.
Alleged violation of VA Code § 38.2-512

INS930384 NHO Insurance Agency Inc.
Alleged violation of VA Code § 38.2-4806

INS930385 National Council on Compensation Insurance
For revision of Workers' Compensation Insurance Rates

INS930386 National Union Fire Insurance Co. of Pittsburgh, Pennsylvania
Alleged violation of VA Code § 38.2-317

INS930387 Progressive Casualty Insurance Co.
Alleged violation of VA Code § 38.2-317

INS930388 Auto-Owners Insurance Co.
Alleged violation of VA Code § 38.2-1906

INS930389 Owners Insurance Co.
Alleged violation of VA Code § 38.2-1906

INS930390 Liberty Insurance Corp.
Alleged violation of VA Code §§ 38.2-317 and 38.2-1906

INS930391 Liberty Mutual Insurance Co.
Alleged violation of VA Code § 38.2-1906

INS930392 Liberty Mutual Fire Insurance
Alleged violation of VA Code §§ 38.2-317 and 38.2-1906

INS930393 Liberty Mutual Insurance Co.
Alleged violation of VA Code §§ 38.2-317 and 38.2-1906

INS930394 Southern Heritage Insurance Co.
Alleged violation of VA Code §§ 38.2-317 and 38.2-1906

INS930395 Great American Insurance Co.
Alleged violation of VA Code §§ 38.2-2201, 38.2-2014, et al.

INS930396 Royal Indemnity Company
Alleged violation of VA Code §§ 38.2-1906 and 38.2-2220

INS930397 Royal Insurance Company
Alleged violation of VA Code §§ 38.2-1906 and 38.2-2220

INS930398 American & Foreign Insurance Company
Alleged violation of VA Code §§ 38.2-1906 and 38.2-2220

INS930399 Safeguard Insurance Company
Alleged violation of VA Code §§ 38.2-1906 and 38.2-2220

INS930401 Bowles, Don. W.
Alleged violation of VA Code §§ 38.2-1813 and 38.2-2015B

INS930402 Footman, Dawson S.
Alleged violation of VA Code §§ 38.2-1813 and 38.2-1801

INS930403 Educators Mutual Life Insurance Co.
Alleged violation of VA Code § 38.2-610

INS930404 HAA of Virginia Inc.
Alleged violation of VA Code §§ 38.2-1331 and 38.2-1408

INS930405 Ex Parte: 1992 Assessment
In the matter of refunding overpayments of assessment for maintenance of Bureau of Insurance on direct gross premium income of insurance companies for 1992

INS930406 Ex Parte: 1992 Premium
In the matter of refunding overpayments of premium license tax on direct gross premium income of insurance companies for taxable year 1992

INS930407 Ex Parte: 1991 Premium
In the matter of refunding overpayments of premium license tax on direct gross premium income of insurance companies for taxable year 1991

INS930408 Ex Parte: 1992 H.E.A.T.
In the matter of refunding overpayments of Help Eliminate Automobile Theft (HEAT) Fund assessment based on direct gross premium income of insurance companies for 1992

INS930409 Ex Parte: 1992 Flood Prevention and Protection
In the matter of refunding overpayments of flood prevention and protection assistance fund assessment based on direct gross premium income of insurance companies for 1992

INS930410 Ex Parte: 1992 Fire Programs Fund Assessment Refunds
In the matter of refunding overpayments of fire programs fund assessment based on direct gross premium income of insurance companies for 1992

INS930411 New Jersey Life Insurance Co.
For approval of assumption reinsurance agreement pursuant to VA Code § 38.2-136.C

INS930412 Virginia Life, Accident & Sickness Insurance Guaranty Association
For approval of assumption reinsurance agreement pursuant to VA Code § 38.2-136.C

INS930413 American Founders Life Insurance Co.
For suspension of license pursuant to VA Code § 38.2-1040

INS930414 Bankers & Shippers Insurance
Alleged violation of VA Code §§ 38.2-510.A6, et al.

INS930415 Thomas, Darren O.
Alleged violation of VA Code § 38.2-1826

INS930416 Neal, Jeffrey C.
Alleged violation of VA Code § 38.2-1802

INS930417 Church of God in Christ Hospital Fund
For a consent order

INS930418 York Insurance Company
Alleged violation of VA code § 38.2-1906

INS930419 John Deere Insurance Company
Alleged violation of VA Code §§ 38.2-317 and 38.2-1906

INS930420 Travelers Insurance Company
Alleged violation of VA Code § 38.2-1906

INS930421 Fidelity & Guaranty Insurance
Alleged violation of VA Code § 38.2-1906

INS930422 United Services Automobile Association & USAA Casualty Insurance Company
Alleged violation of VA Code §§ 38.2-2208, et al.

INS930423 Windsor Insurance Co., et al.
Alleged violation of VA Code §§ 38.2-1905, et al.

INS930424 Titan Indemnity Company
Alleged violation of VA Code §§ 38.2-1822 and 38.2-1833

INS930425 Hufford, Jill M. and JMH Insurance
Alleged violation of VA Code §§ 38.2-512 and 38.2-1813

INS930426 Virginia Health and Accident Association
Alleged violation of VA Code §§ 38.2-502.1, et al.

INS930427 Kaiser Foundation Health Plan of the Mid-Atlantic States
Alleged violation of VA Code §§ 38.2-316.A, et al.

INS930428 American Hardware Mutual Insurance Co.
Alleged violation of VA Code § 38.2-317

INS930429 Travelers Indemnity Company
Alleged violation of VA Code § 38.2-1906

INS930430 Charter Oak Fire Insurance Co.
Alleged violation of VA Code § 38.2-1906

INS930431 Travelers Indemnity Company of Rhode Island
Alleged violation of VA Code § 38.2-1906

INS930432 St. Paul Fire and Marine Insurance Co.
Alleged violation of VA Code §§ 38.2-317 and 38.2-1906

INS930433 St. Paul Mercury Insurance Co.
Alleged violation of VA Code §§ 38.2-317 and 38.2-1906

INS930434 Fidelity and Guaranty Insurance Underwriter's, Inc.
Alleged violation of VA Code § 38.2-1906

INS930435 United States Fidelity and Guaranty Co.
Alleged violation of VA Code § 38.2-1906

INS930436 Dew, John Mason III
Alleged violation of VA Code §§ 38.2-1838 and 38.2-1840

INS930437 Sloan, William Roger and Bertha B.
Alleged violation of VA Code §§ 38.2-1813 and 38.2-1822 E

INS930438 Virginia Birth-Related Neurological Injury Compensation Program
For approval of amended plan of operation pursuant to VA Code § 38.2-5017

INS930439 Omni Insurance Company
Alleged violation of VA Code §§ 38.2-305, et al.

INS930440 Booe, Clifton A.
Alleged violation of VA Code §§ 38.2-512, 38.2-1812.B and 38.2-1822.A

INS930441 Sirichanya, Kritika
Alleged violation of VA Code §§ 38.2-512 and 38.2-1813

INS930442 Good Samaritan Association Health Benefit Plan
Alleged violation of Title 38.2 of the Code of Virginia

INS930443 Jackson, Michael and New World Financial Group
Alleged violation of VA Code §§ 38.2-1822, et al.

INS930444 Clark, Myrvin and Catherine and Insurall, Inc.
Alleged violation of VA Code §§ 38.2-1813 and 38.2-1809

INS930445 Deffenbaugh, Larry L.
Alleged violation of VA Code § 38.2-1838

INS930447 Virginia Farm Bureau Mutual Insurance Co.
Alleged violation of VA Code § 38.2-1329

INS930448 Front Royal Insurance Co.
Alleged violation of VA Code § 38.2-1329

INS930449 Jordan, Norman A., et al.
Alleged violation of VA Code §§ 38.2-310, 38.2-2015, 38.2-1813, and 38.2-1809

INS930450 Travelers Indemnity Company of America
Alleged violation of VA Code § 38.2-1906

INS930451 Anderson, Thomas P.
Alleged violation of VA Code §§ 38.2-1831 and 38.2-1826

INS930452 Transport Life Insurance Co.
Alleged violation of VA Code §§ 38.2-316 and 38.2-3501

INS930453 Springfield Life Insurance
Alleged violation of VA Code § 38.2-1040

INS930454 Glasford, Arnold
Alleged violation of VA Code § 38.2-1813

INS930455 Bledsoe, Odis L. Jr.
Alleged violation of VA Code § 38.2-1813

INS930456 Niagara Fire Insurance Co.
Alleged violation of VA Code § 38.2-2214

INS930457 Glens Falls Insurance Company
Alleged violation of VA Code § 38.2-2214

INS930458 Safeco National Insurance Co.
Alleged violation of VA Code § 38.2-22014

INS930459 Kansas City Fire and Marine Insurance
Alleged violation of VA Code § 38.2-2214

INS930460 First National Insurance Co. of America
Alleged violation of VA Code § 38.2-22014

INS930461 Firemen's Insurance Co. of Newark, New Jersey
Alleged violation of VA Code § 38.2-2214

INS930462 Fidelity & Casualty Co. of New York
Alleged violation of VA Code § 38.2-2214

INS930463 Providence Washington Insurance Co.
Alleged violation of VA Code § 38.2-1906

INS930464 Hartford Insurance Co. of the Midwest
Alleged violation of VA Code § 38.2-1906

INS930465 Hartford Casualty Insurance Co.
Alleged violation of VA Code § 38.2-1906

INS930466 Boston Old Colony Insurance Co.
Alleged violation of VA Code § 38.2-2214

INS930467 Safeco Insurance Co. of Illinois
Alleged violation of VA Code § 38.2-2014

INS930468 Valiant Insurance Company
Alleged violation of VA Code § 38.2-1906

INS930469 Northern Insurance Company of New York
Alleged violation of VA Code § 38.2-1906

INS930470 Maryland Casualty Company
Alleged violation of VA Code § 38.2-1906

INS930471 Assurance Company of America
Alleged violation of VA Code § 38.2-1906

INS930472 Superior Insurance Company
Alleged violation of VA Code § 38.2-1906

INS930473 Safeco Insurance Co. of America
Alleged violation of VA Code § 38.2-2014

INS930474 National Grange Mutual Insurance
Alleged violation of VA Code § 38.2-317

INS930475 Hartford Fire Insurance Co.
Alleged violation of VA Code § 38.2-1906
INS930476 Cumis Insurance Society Inc.
Alleged violation of VA Code § 38.2-1906
INS930477 Continental Insurance Co.
Alleged violation of VA Code § 38.2-2214
INS930478 American Security Insurance Co.
Alleged violation of VA Code §§ 38.2-317 and 38.2-1906
INS930479 Great American Insurance Co.
Alleged violation of VA Code §§ 38.2-317 and 38.2-1906
INS930480 American National Fire Insurance
Alleged violation of VA Code §§ 38.2-317 and 38.2-1906
INS930481 Continental Aviation Underwriters, Inc.
Alleged violation of VA Code § 38.2-1822
INS930482 Reliance National Insurance Co.
Alleged violation of VA Code §§ 38.2-1822 and 38.2-1833
INS930483 Davenport, Charlie B.
Alleged violation of VA Code § 38.2-1813
INS930484 Commonwealth Dealers Life Insurance
Alleged violation of VA Code sections
INS930485 Delta Dental Plan of Virginia
Alleged violation of VA Code §§ 38.2-316.A, et al.
INS930486 Settlers Life Insurance
Alleged violation of VA Code §§ 38.2-316.A, et al.
INS930487 Markel Rhulen Insurance Co.
Alleged violation of VA Code § 38.2-203
INS930488 Turner, Doris L. and M&M Insurance Agency, Inc.
Alleged violation of VA Code § 38.2-1813
INS930489 Virginia Hospitality Group Self-Insurance Association
Alleged violation of Section 6 of Rules Governing Group Self-Insurers of Liability under Virginia Workers' Compensation Act
INS930490 Georgiev, Robert N.
Alleged violation of VA Code §§ 38.2-1813 and 38.2-1826
INS930491 Tiller, Joey L.
Alleged violation of VA Code § 38.2-1816
INS930492 Avery, Louries
Alleged violation of VA Code §§ 38.2-1805.A and 38.2-219.C
INS930493 Tinsley, Henry A.
Alleged violation of VA Code §§ 38.2-1805.A and 38.2-219.C
INS930494 Wilson, Ollie
Alleged violation of VA Code §§ 38.2-1805.A and 38.2-219.C
INS930495 Vanterpool, Clifford
Alleged violation of VA Code § 38.2-1813
INS930496 George Washington Life Insurance Company, in liquidation
For approval of assumption reinsurance agreement
INS930498 Struder, Gary L. and Seaport Assoc.
Alleged violation of VA Code §§ 38.2-1813 and 38.2-512
INS930499 Dyke, Carroll E. Sr.
Alleged violation of VA Code § 38.2-1813
INS930500 McGuinness, Karen R.
Alleged violation of VA Code § 38.2-512
INS930501 Orrell, Donald B.
Alleged violation of VA Code § 38.2-1813
INS930502 Payne, Billy R.
Alleged violation of VA Code § 38.2-512
INS930503 Federated Mutual Insurance
Alleged violation of VA Code § 38.2-2014
INS930504 Seaboard Surety Company
Alleged violation of VA Code § 38.2-1810
INS930505 Foster, Steven T., Petitioner v. Aetna Casualty and Surety Co., The, et al., Defendants
Petition for declaratory judgment
INS930506 Ex Parte: Assessment
For assessment upon certain companies and surplus lines brokers to pay expense of Bureau of Insurance for 1993
INS930507 Patterson, Bryant A.
Alleged violation of VA Code § 38.2-1805.A
INS930508 Lee, Barbara
Alleged violation of VA Code § 38.2-1805.A
INS930509 Williams, Annette L.
Alleged violation of VA Code § 38.2-1805.A
INS930510 Williams, Annette L.
Alleged violation of VA Code § 38.2-1805.A
INS930511 Wilson, James
Alleged violation of VA Code § 38.2-1805.A

INS930512 McLean, Alisha D.
Alleged violation of VA Code § 38.2-1805.A
INS930513 McCraw, Vincent Derrick
Alleged violation of VA Code § 38.2-1805.A
INS930514 Gill, Jean Deloris
Alleged violation of VA Code § 38.2-1805.A
INS930515 Taylor, Melvin J.
Alleged violation of VA Code § 38.2-1805.A
INS930516 Hayden, Edna B.
Alleged violation of VA Code §§ 38.2-1805.A and 38.2-219.C
INS930517 Martin, Estelle D.
Alleged violation of VA Code § 38.2-1805.A
INS930518 Taliaferro, Joseph
Alleged violation of VA Code § 38.2-1805.A
INS930519 Rodgers, William E.
Alleged violation of VA Code § 38.2-1805.A
INS930520 Spencer, James P.
Alleged violation of VA Code § 38.2-1805.A
INS930521 Ledbetter, Evelyn F.
Alleged violation of VA Code § 38.2-1805.A
INS930522 Akers, Shirley M.
Alleged violation of VA Code §§ 38.2-1805.A and 38.2-219.C
INS930523 Coleman, Geraldine H.
Alleged violation of VA Code § 38.2-1805.A
INS930524 Wade, Horace H. Jr.
Alleged violation of VA Code §§ 38.2-1805.A and 38.2-219.C
INS930525 Akins, Brenda B.
Alleged violation of VA Code § 38.2-1805.A
INS930526 Chambers, Edgar A. Jr.
Alleged violation of VA Code § 38.2-1805.A
INS930527 Clemons, Cherry I.
Alleged violation of VA Code § 38.2-1805.A
INS930528 Payton, Novella A.
Alleged violation of VA Code §§ 38.2-1805.A and 38.2-219.C
INS930529 Hicks, Samuel Eddie
Alleged violation of VA Code § 38.2-1805.A
INS930530 St. Paul Fire and Marine Insurance Co.
Alleged violation of VA Code § 38.2-1810
INS930531 United Republic Life Insurance
For suspension of license pursuant to VA Code § 38.2-1040

MCA: MOTOR CARRIER DIVISION - AUDITS

MCA930001 Rayls Brothers Transfer Co. Inc.
Alleged violation of VA Code § 58.1-2700
MCA930002 Professional Auto Transport Inc.
Alleged violation of VA Code § 58.1-2700
MCA930003 A.D. McMullen, Inc.
Alleged violation of VA Code § 58.1-2700
MCA930004 Kendall Company
Alleged violation of VA Code § 58.1-2700
MCA930005 Heaven Hill Distilleries, Inc.
Alleged violation of VA Code § 58.1-2700
MCA930006 Trucklease Corporation
Alleged violation of VA Code § 58.1-2700
MCA930007 Clean Harbors of Kingston, Inc.
Alleged violation of VA Code § 58.1-2700
MCA930008 American Intermodal Services
Alleged violation of VA Code § 58.1-2700
MCA930009 Lily Transport Lines, Inc.
Alleged violation of VA Code § 58.1-2700
MCA930010 Super Service, Inc.
Alleged violation of VA Code §§ 56-331 and 58.1-2708
MCA930011 A B C Express, Inc.
Alleged violation of VA Code §§ 58.1-2700, et al.
MCA930012 Combs Freight Lines, Inc.
Alleged violation of VA Code § 58.1-2700
MCA930013 Dan's Transit, Inc.
Alleged violation of VA Code § 58.1-2704
MCA930014 Central Transport, Inc.
Alleged violation of VA Code § 58.1-2700

MCA930015 Mason Dixon Tank Lines Inc.
Alleged violation of VA Code § 58.1-2700
MCA930016 Daniel E. Needs, Inc.
Alleged violation of VA Code § 58.1-2700
MCA930017 Kentucky Western Truck Lines, Inc.
Alleged violation of VA Code § 58.1-2700
MCA930018 Med-X-Press, Inc.
For order of compromise and settlement
MCA930019 Product Distribution Company
Alleged violation of VA Code § 58.1-2700
MCA930020 Phil Dan Trucking, Inc.
Alleged violation of VA Code § 58.1-2700
MCA930021 L & M Express Company, Inc.
Alleged violation of VA Code § 58.1-2704
MCA930022 Tip Top Leasing, Inc.
Alleged violation of VA Code § 58.1-2700
MCA930023 Direct Wood Products, Inc.
Alleged violation of VA Code § 58.1-2700
MCA930024 R/S Truck Body Company, Inc.
Alleged violation of VA Code § 58.1-2700
MCA930025 M & M Farm Lines Inc.
Alleged violation of VA Code § 58.1-2700
MCA930026 Childers Transport Inc.
Alleged violation of VA Code § 58.1-2700
MCA930027 Genova Express Lines Inc.
Alleged violation of VA Code § 58.1-2700
MCA930028 Waitsboro Mfg. Company, Inc.
Alleged violation of VA Code § 58.1-2700
MCA930029 Baker, Edward T. t/a Southside Motors
Alleged violation of VA Code § 58.1-2700
MCA930030 Southern Transportation of Virginia Corp.
Alleged violation of VA Code § 58.1-2700
MCA930031 Brock Warehouse Company
Alleged violation of VA Code § 58.1-2700
MCA930032 Robert & Tammy Trucking, Inc.
Alleged violation of VA Code § 58.1-2700
MCA930033 Land Transport Corp.
Alleged violation of VA Code § 58.1-2700
MCA930034 Hensley, Paul Wayne t/a H&H Trucking Co.
Alleged violation of VA Code § 58.1-2700
MCA930035 W W Transport, Inc.
Alleged violation of VA Code § 58.1-2700
MCA930036 Central Transport, Inc.
For failure to comply with Commission Order issued 3/15/90
MCA930037 U.S. Truck Company, Inc.
Alleged violation of VA Code § 58.1-2704
MCA930038 Tri-State Motor Transit Co.
Alleged violation of VA Code § 58.1-2700
MCA930039 Rollet Bros. Trucking Co., Inc.
Alleged violation of VA Code § 58.1-2700
MCA930040 Missouri Nebraska Express Inc.
Alleged violation of VA Code § 58.1-2708
MCA930041 Wetterau Transportation, Inc.
Alleged violation of VA Code § 58.1-2700
MCA930042 Trism Specialized Carriers Inc.
Alleged violation of VA Code § 58.1-2700
MCA930043 Don Lou, Inc.
Alleged violation of VA Code § 58.1-2700
MCA930044 Great American Lines, Inc.
Alleged violation of VA Code § 58.1-2700
MCA930045 Burleson Distributors, Inc.
Alleged violation of VA Code § 58.1-2700
MCA930046 Zerkle Trucking Company
Alleged violation of VA Code § 58.1-2700
MCA930047 Decaire, Michael R. t/a Decaire Transportation
Alleged violation of VA Code § 58.1-2708
MCA930048 Clark Transportation, Inc.
Alleged violation of VA Code § 58.1-2700
MCA930049 Meade, Randy J. t/a Randy J. Meade Trucking
Alleged violation of VA Code § 58.1-2700
MCA930050 Midwest Culvert & Supply, Inc.
Alleged violation of VA Code § 58.1-2700

MCA930051 Fleet Carrier Corporation
Alleged violation of VA Code § 58.1-2700

MCA930052 Dana Transport, Inc.
Alleged violation of VA Code § 58.1-2700

MCA930053 Herndon, Coyrt F. and Sarah D. t/a Herndon Trucking
Alleged violation of VA Code § 58.1-2700

MCA930054 Gray Rock Farms Inc.
Alleged violation of VA Code § 58.1-2700

MCA930055 Gosselin Express Ltd.
Alleged violation of VA Code § 58.1-2700

MCA930056 Alan William Transfer Co. Inc.
Alleged violation of VA Code § 58.1-2700

MCA930057 Royal Transport Inc.
Alleged violation of VA Code § 58.1-2700

MCA930058 George Transfer, Inc.
For failure to comply with Commission's Order of 12/6/91 in Case No. MCA910049

MCA930059 Copp Trucking, Inc.
Alleged violation of VA Code § 58.1-2700

MCA930060 Bowling Green Freight Inc.
Alleged violation of VA Code §§ 56-331 and 58.1-2708

MCA930061 Allan Christopher Hill Entertainment Corp. t/a Great American Circus
Alleged violation of VA Code § 58.1-2700

MCA930062 MCT, Inc.
Alleged violation of VA Code §§ 56-331 and 58.1-2708

MCA930063 Midstate Contract Carriers
Alleged violation of VA Code § 58.1-2700

MCA930064 Union Oil Company of California
Alleged violation of VA Code § 58.1-2700

MCA930065 G.G. Parsons Trucking Co.
For rule to show cause for failure to pay omitted taxes

MCA930066 Valente, Victor t/a Valente Air Express
For rule to show cause for failure to pay omitted taxes

MCA930067 Kord Products Ltd.
Alleged violation of VA Code §§ 56-331 and 58.1-2708

MCA930068 United Van Lines
For rule to show cause for failure to pay omitted taxes

MCA930069 Atlantic Coast Express
For rule to show cause for failure to pay omitted taxes

MCA930070 U S Truck Company
Petition for refund for motor fuel road taxes

MCA930071 A & L Trucking Inc.
Alleged violation of VA Code § 58.1-2700

MCA930072 Agile Freight System Inc.
Alleged violation of VA Code § 58.1-2700

MCA930073 SRM Auto Leasing Ltd.
For rule to show cause for failure to pay omitted taxes

MCA930074 Pre-Fab Transit Company
Petition for refund for motor fuel road taxes

MCA930075 Keebler Company
For rule to show cause for failure to pay omitted taxes

MCA930076 Al-Amin Transportation
For rule to show cause for failure to pay omitted taxes

MCA930077 Allied Van Lines
Alleged violation of VA Code § 58.1-2704

MCA930078 Canadian American Trucking Inc.
Alleged violation of VA Code § 58.1-2700

MCA930079 Cole Trucking Inc. (TN)
Alleged violation of VA Code § 58.192700

MCA930080 Liquid Carbonic Industrial
For rule to show cause for failure to pay omitted taxes

MCA930081 Unifi Inc.
For rule to show cause for failure to pay omitted taxes

MCA930082 Pre-Mix Industries
For rule to show cause for failure to pay omitted taxes

MCA930083 Kaplan Trucking Company
For violation of VA Code §§ 56-331 and 58.1-2708

MCA930084 Blue Grass Oils Inc.
For rule to show cause for failure to pay omitted taxes

MCA930085 Bill Carter Trucking.
For rule to show cause for failure to pay omitted taxes

MCE: MOTOR CARRIER DIVISION - ENFORCEMENT

MCE921047 Corbin, Jonathan Myles t/a Dupont Circle Limousine Service
Alleged violation of VA Code §§ 56.338.111, et al.

MCE930012 ABC Compounding Company
Alleged violation of VA Code § 56-304

MCE930013 Macklin, Herbert C. t/a Mack's Cab Service
Alleged violation of VA Code § 56-304

MCE930014 James Bus Service, Inc.
Alleged violation of VA Code § 56-304

MCE930015 C W Jackson Hauling, Inc.
Alleged violation of VA Code § 56-304

MCE930016 Blacksburg Transfer & Storage Inc.
Alleged violation of VA Code § 56-304

MCE930017 Gunther's Leasing Transport Inc.
Alleged violation of VA Code § 56-304.1

MCE930018 Economy Transport, Inc.
Alleged violation of VA Code § 56-304.11

MCE930019 Perma R Products, Inc. of Tennessee
Alleged violation of VA Code § 56-304.2

MCE930041 Lofthus, Paul Edward
Alleged violation of VA Code § 56-338.111

MCE930043 Moran Limousine
Alleged violation of VA Code §§ 56-338.111 and 56-338.106

MCE930044 T & S Bus Service, Inc.
Alleged violation of VA Code § 56-338.52

MCE930045 Mount Vernon Travel, Inc.
Alleged violation of VA Code § 56-292

MCE930046 T & L Trucking, Inc.
Alleged violation of VA Code § 56-304

MCE930075 Republic Portsmouth Storage Corp.
Alleged violation of VA Code § 56-304

MCE930076 Doyle, Steven P. t/a SPD Transport
Alleged violation of VA Code § 56-304.11

MCE930077 David Jones Seafood, Inc.
Alleged violation of VA Code § 56-304.11

MCE930078 Office Movers, Inc.
Alleged violation of VA Code § 56-338.8

MCE930079 C&M Oil Distributors, Inc.
Alleged violation of Lease Rule 3-A

MCE930080 Allied Systems Corporation
Alleged violation of VA Code § 56-304

MCE930081 Williams, Howard
Alleged violation of VA Code § 56-304.1

MCE930099 King, Roy Lee Sr.
Alleged violation of VA Code § 56-288

MCE930100 Jessica Corporation t/a Dialing for Dinner
Alleged violation of VA Code § 56-288

MCE930101 World Wide Cargoes Inc. t/a Take Out Tax
Alleged violation of VA Code § 56-288

MCE930102 James River Bldg. Supply Co.
Alleged violation of VA Code § 56-304

MCE930103 Charles W. Karper, Inc.
Alleged violation of VA Code § 56-304

MCE930104 MacDonald Steel, Ltd.
Alleged violation of VA Code § 56-304

MCE930105 Native American Trucking Co, Inc.
Alleged violation of VA Code § 56-304.11

MCE930106 American Truck Lines, Inc.
Alleged violation of VA Code § 56-304.11

MCE930109 Apple Transfer, Inc.
Alleged violation of VA Code § 56-338.8

MCE930130 H.B.K. Trucking, Inc.
Alleged violation of VA Code § 56-304.11

MCE930131 Nova Movers, Inc.
Alleged violation of VA Code § 56-338.8

MCE930132 Chaparral Boats, Inc.
Alleged violation of VA Code § 56-304.2

MCE930133 Suburban Truck Brokers, Inc.
Alleged violation of VA Code § 56-304.1

MCE930166 Vitasek, Craig Allen t/a Tidewater Transfer Co.
Alleged violation of VA Code § 56-338.8

MCE930167 J.H. Clifton, Inc.
Alleged violation of VA Code § 56-304.11
MCE930168 Boswell Trucking Co., Inc.
Alleged violation of VA Code §§ 46.2-600, 46.2-711 and 56-304
MCE930176 Imperial Construction Co., Inc.
Alleged violation of VA Code § 56-288
MCE930177 Imperial Construction Co., Inc.
Alleged violation of VA Code § 56-288
MCE930178 Sisk, John T.
Alleged violation of VA Code § 56-304
MCE930179 Continental Terminals, Inc.
Alleged violation of VA Code § 56-304
MCE930180 Burch Mfg. Co., Inc.
Alleged violation of VA Code § 56-304
MCE930181 Marathon Freight Lines, Inc.
Alleged violation of VA Code § 56-304.11
MCE930182 T.S., Inc. t/a Transportation Services
Alleged violation of VA Code § 56-304.11
MCE930183 L & D Transport, Inc.
Alleged violation of VA Code § 56-304.11
MCE930184 Bunch Trucking, Inc.
Alleged violation of VA Code § 56-304.11
MCE930194 Cosmetics & Fragrance Concepts Inc.
Alleged violation of VA Code § 56-304
MCE930195 Southampton Meadows Sales, Inc.
Alleged violation of VA Code § 56-304
MCE930196 Smitty's Lumberteria, Inc.
Alleged violation of VA Code § 56-304
MCE930197 Greenline Transport, Inc.
Alleged violation of VA Code § 56-304.11
MCE930198 Atlantic Coach, Inc.
Alleged violation of VA Code §§ 46.2-600, 46.2-711 and 56-304
MCE930202 Underwood Van Lines, Inc. t/a Two Guys and a Truck
Alleged violation of VA Code § 56-338.8
MCE930203 Gonzalez, Antonio L.
Alleged violation of VA Code § 56-304.6:1
MCE930204 Gonzalez, Antonio L.
Alleged violation of VA Code § 56-304.6:1
MCE930205 Gonzalez, Antonio L.
Alleged violation of VA Code § 56-304.6:1
MCE930206 Gonzalez, Antonio L.
Alleged violation of VA Code § 56-304.11
MCE930207 Continental Terminals, Inc.
Alleged violation of VA Code § 56-288
MCE930208 Wilmington Tank Lines, Inc.
Alleged violation of VA Code § 56-288
MCE930209 Anderson, Rudolph C., Sr. t/a Anderson and Son
Alleged violation of VA Code § 56-288
MCE930210 Anderson, Rudolph C., Sr. t/a Anderson and Son
Alleged violation of VA Code § 56-288
MCE930211 Johnson, Clifford James t/a Johnson's Bus Service
Alleged violation of VA Code § 56-304
MCE930212 Hooper, Joseph D., Jr. t/a Phantom Transport
Alleged violation of VA Code § 56-304.1
MCE930213 Midway Transportation, Inc.
Alleged violation of VA Code § 56-304.11
MCE930214 Smitty's 610 Homecenter
Alleged violation of VA Code § 56-304.11
MCE930215 Blue Hen Lines, Inc.
Alleged violation of VA Code § 56-304.11
MCE930216 Peoples Express Company
Alleged violation of VA Code § 56-304.11
MCE930218 Midway Transportation, Inc.
Alleged violation of VA Code § 56-304.11
MCE930219 Midway Transportation, Inc.
Alleged violation of VA Code § 56-304.11
MCE930220 Wallace, Wade Pate t/a Wade Wallace Trucking
Alleged violation of VA Code § 56-304.11
MCE930269 A & B Professionals, Inc.
Alleged violation of VA Code § 56-338.8
MCE930270 Blue Magic Refrigerated Transportation, Inc.
Alleged violation of VA Code § 56-304.11

MCE930271 S & D Trucking Co., Inc.
Alleged violation of VA Code § 56-304.11
MCE930272 Bucky's Moving Service, Inc.
Alleged violation of VA Code § 56-338.8
MCE930273 American Intermodal Services Inc.
Alleged violation of Lease Rule 3-A
MCE930274 Sundance Transport, Inc.
Alleged violation of VA Code § 56-304.1
MCE930275 Wilmington Tank Line, Inc.
Alleged violation of VA Code § 56-304.1
MCE930276 Corbin, Jonathan Myles t/a Dupont Circle Limousine Service
Alleged violation of VA Code § 56-304.11
MCE930301 West Northwest Transportation Inc.
Alleged violation of VA Code § 56-304.11
MCE930302 American Marine Transport, Inc.
Alleged violation of VA Code § 56-304.11
MCE930303 AAA Coast Express, Inc.
Alleged violation of VA Code § 56-304.11
MCE930304 AAA Coast Express, Inc.
Alleged violation of VA Code § 56-304.11
MCE930308 Midway Transportation, Inc.
Alleged violation of VA Code § 56-304.11
MCE930309 Liberty Transportation, Inc.
Alleged violation of VA Code § 56-288
MCE930310 Markham Associates (MD)
Alleged violation of VA Code § 56-304.2
MCE930311 Bell, Joseph Alfred, Sr.
Alleged violation of VA Code § 56-288
MCE930312 Sponsler, William C., Jr.
Alleged violation of VA Code § 56-288
MCE930313 Bilodeau, Michael S.
Alleged violation of order entered in Case No. MCE890208
MCE930329 Snead, Junius A.
Alleged violation of VA Code § 56-304.11
MCE930330 Lower Trucking Inc.
Alleged violation of VA Code § 56-304.11
MCE930331 McNew, Bobby Joe
Alleged violation of VA Code § 56-288
MCE930332 Sundance Transport Inc.
Alleged violation of VA Code § 56-304.11
MCE930354 Triple "C" Hauling, Inc.
Alleged violation of VA Code § 56-304.1
MCE930355 B&B Concrete Pump, Inc.
Alleged violation of VA Code § 56-304.2
MCE930356 B&B Concrete Pump, Inc.
Alleged violation of Lease Rule 3-A
MCE930357 Patrick, George K.
Alleged violation of VA Code § 56-288
MCE930358 McCombs, John T. and Stephen F. t/a McCombs Bros. Moving & Storage
Alleged violation of VA Code § 56-338.8
MCE930376 Sparrow, William Simpson
Alleged violation of VA Code § 56-304.2
MCE930377 Trism Specialized Carrier Inc.
Alleged violation of VA Code § 56-304.11
MCE930378 Trism Specialized Carriers Inc.
Alleged violation of VA Code § 56-304.11
MCE930379 Trism Specialized Carriers Inc.
Alleged violation of VA Code § 56-304.11
MCE930380 Trism Specialized Carriers Inc.
Alleged violation of VA Code § 56-304.11
MCE930381 Trism Specialized Carriers Inc.
Alleged violation of VA Code § 56-304.11
MCE930382 Pryslak, George t/a Pryslak Trucking
Alleged violation of VA Code § 56-304.11
MCE930383 Pryslak, George t/a Pryslak Trucking
Alleged violation of VA Code § 56-304.11
MCE930384 Pryslak, George t/a Pryslak Trucking
Alleged violation of VA Code § 56-304.11
MCE930385 Formal Enterprises, Inc. t/a The Grooms Corner & Formal Limousine
Alleged violation of VA Code § 56-338.52
MCE930398 Dreadnought Marine, Inc.
Alleged violation of Lease Rule 3A

MCE930399 Dreadnought Marine, Inc.
Alleged violation of VA Code § 56-304.2

MCE930400 Hagerstown Concrete Products Co., t/a Hagerstown Block Co.
Alleged violation of VA Code § 56-304.2

MCE930401 Trussway, Inc.
Alleged violation of VA Code § 56-304.2

MCE930402 Parallel Transportation Services, Inc.
Alleged violation of VA Code § 56-304

MCE930403 Williams Transport, Inc.
Alleged violation of VA Code § 56-304.11

MCE930404 Sundance Transport, Inc.
Alleged violation of VA Code § 56-304.11

MCE930405 Lee Brothers Trucking, Inc.
Alleged violation of VA Code § 56-304.11

MCE930406 Fairfax Transfer & Storage Inc.
Alleged violation of VA Code § 56-304.11

MCE930407 Fairfax Transfer & Storage Inc.
Alleged violation of VA Code § 56-300

MCE930408 Concrete, Masonry & Asphalt Inc.
Alleged violation of VA Code § 56-288

MCE930409 Coalson's Landscape & Excavating, Inc.
Alleged violation of VA Code § 56-288

MCE930410 Blue Hen Lines, Inc.
Alleged violation of VA Code § 56-288

MCE930411 McNew, Bobby Joe
Alleged violation of VA Code § 56-288

MCE930412 Kennedy, William C. t/a Kennedy's Towing
Alleged violation of VA Code § 56-288

MCE930413 B&P 24 Hour Moving Company
Alleged violation of VA Code § 56-338.8

MCE930423 Coley, Alfred Sr. t/a Yorktown Cab Co.
Alleged violation of VA Code § 56-304

MCE930424 Harding, Paul L.
Alleged violation of VA Code § 56-288

MCE930425 Vendor's Supply of Virginia Inc.
Alleged violation of Lease Rule 3-A

MCE930426 Vendor's Supply of Virginia Inc.
Alleged violation of VA Code § 56-304.2

MCE930427 Ransell & Ray's Towing, Inc.
Alleged violation of VA Code § 56-288

MCE930443 DDI Transportation, Inc.
Alleged violation of Lease Rule 3A

MCE930444 Winston Trucking Co, Inc.
Alleged violation of VA Code § 56-304.11

MCE930445 Pollard, George W.
Alleged violation of VA Code § 56-304.11

MCE930446 Midlantic Express, Inc.
Alleged violation of VA Code § 56-304.11

MCE930447 National Coach Works, Inc. of Virginia
Alleged violation of VA Code § 56-304

MCE930448 Fredericksburg Construction Co. Inc.
Alleged violation of VA Code § 56-288

MCE930461 C & G Distributors, Inc.
Alleged violation of VA Code § 56-304.2

MCE930462 Midway Transportation, Inc.
Alleged violation of VA Code § 56-304.11

MCE930463 Midway Transportation, Inc.
Alleged violation of VA Code § 56-304.11

MCE930464 Native American Trucking Co.
Alleged violation of VA Code § 56-304.11

MCE930465 Yeager, Robert W.
Alleged violation of VA Code § 56-304.11

MCE930466 Robert Dewitt Trucking, Ltd.
Alleged violation of VA Code § 56-304.11

MCE930490 Central Delivery Service of Washington, Inc.
Alleged violation of VA Code § 56-304

MCE930491 Sprint Couriers, Inc.
Alleged violation of VA Code § 56-304

MCE930492 Commonwealth Propane, Inc.
Alleged violation of VA Code § 56-304.2

MCE930493 M.W. Gunther, Inc. t/a Mitchell's Trucking
Alleged violation of VA Code § 56-304.1

MCE930494 Midway Transportation, Inc.
Alleged violation of VA Code § 56-304.11
MCE930495 Luv Bus, Inc.
Alleged violation of VA Code § 56-338.52
MCE930496 Boley, John Charles t/a JCB Services
Alleged violation of VA Code § 56-288
MCE930497 Boley, John Charles t/a JCB Services
Alleged violation of VA Code § 56-288
MCE930512 Knouse, Charles F. t/a Greenwood Nursery
Alleged violation of VA Code § 56-304.2
MCE930513 Mac's Moving & Storage Inc. t/a Knight's Moving & Storage Inc.
Alleged violation of VA Code § 56-304.2
MCE930514 Southern & Western Trucking Inc.
Alleged violation of VA Code § 56-304.11
MCE930515 818865 Ontario, Ltd. t/a Ontario South Trucking Div.
Alleged violation of VA Code § 56-304.1
MCE930516 Champion Transport, Inc.
Alleged violation of VA Code § 56-304.1
MCE930517 Taliaferro, Sheila M.
Alleged violation of VA Code § 56-304
MCE930518 Praise Trucking Co. Inc.
Alleged violation of VA Code § 56-304.1
MCE930519 J.A. Laporte, Inc.
Alleged violation of VA Code § 56-304
MCE930520 Red Rose Building Systems, Inc.
Alleged violation of VA Code § 56-304.2
MCE930521 DSI, Inc.
Alleged violation of VA Code § 56-304.2
MCE930522 Brenda W. Freeman Excavating & Trucking Co., Inc.
Alleged violation of VA Code § 56-288
MCE930523 Suburban Truck Brokers, Inc.
Alleged violation of VA Code § 56-304.1
MCE930524 Alan William Transfer Co., Inc.
Alleged violation of VA Code § 56-304.11
MCE930525 Midlantic Express, Inc.
Alleged violation of VA Code § 56-304.11
MCE930555 Parisek, Joseph Jr. t/a Joe's Auto Sales
Alleged violation of VA Code § 56-288
MCE930556 Limousines of Richmond, Inc.
Alleged violation of VA Code § 56-304
MCE930585 Brenda W. Freeman Excavating & Trucking Co., Inc.
Alleged violation of VA Code § 56-288
MCE930586 King, Henry A. t/a Hanks Towing
Alleged violation of VA Code § 56-228
MCE930587 Haskins, Gage t/a Paynless Movers
Alleged violation of VA Code § 56-288
MCE930588 Westinghouse Canada, Inc.
Alleged violation of VA Code § 56-304.2
MCE930589 KMS Transportation
Alleged violation of VA Code § 56-304.1
MCE930590 Walker Trucking Inc.
Alleged violation of VA Code § 56-304
MCE930591 Kasbar National Industries Inc.
Alleged violation of VA Code § 56-304.2
MCE930592 Wagpow Enterprises Inc. t/a Wade Jones Co.
Alleged violation of VA Code § 56-304.11
MCE930593 Richfood Incorporated
Alleged violation of Lease Rule 3-A
MCE930594 Ricks, Charles M. Jr. t/a Classic Limousine
Alleged violation of VA Code § 56-304
MCE930595 Robinson, Christopher t/a Fantasy Limousine Service
Alleged violation of VA Code §§ 56-338.111 and 56-338.106
MCE930608 Webster, Jane W. t/a Webster Construction
Alleged violation of VA Code § 56-288
MCE930609 Bob Young Trucking Inc.
Alleged violation of VA Code § 56-304.11
MCE930610 Greenline Transport Inc.
Alleged violation of VA Code § 56-304.11
MCE930611 Virginia Coach Line Inc.
Alleged violation of VA Code § 56-304
MCE930612 Frost, Nathaniel t/a Crystal Limousine
Alleged violation of VA Code § 56-304

MCE930613 Richfood Incorporated
Alleged violation of VA Code § 56-304.2
MCE930614 Park Avenue Limousine Inc.
Alleged violation of VA Code § 56-304
MCE930628 Morristown Driver's Service Inc.
Alleged violation of VA Code § 56-304.1
MCE930629 Giles, James H. Jr.
Alleged violation of VA Code §§ 56-338111 and 56-338.106
MCE930630 Zuber Limousine Service Inc.
Alleged violation of VA Code § 56-304
MCE930631 Geisler, Mark A.
Alleged violation of VA Code § 56-304.1
MCE930632 Blumenthal Mills
Alleged violation of VA Code § 56-301.2
MCE930633 Roland Foods Inc.
Alleged violation of VA Code § 56-304
MCE930634 Higgerson-Buchanan Inc.
Alleged violation of VA Code § 56-304
MCE930635 Bogan, Eddie
Alleged violation of VA Code § 56-304.1
MCE930636 United Winner Metals Inc.
Alleged violation of Lease Rule 3(A)
MCE930637 Tarmac Mid-Atlantic Inc.
Alleged violation of Lease Rule 3(A)
MCE930638 Supreme Limousine Service Inc.
Alleged violation of VA Code §§ 56-338.111 and 56-338.106
MCE930639 Supreme Limousine Service Inc.
Alleged violation of VA Code §§ 56-338.111 and 56-338.106
MCE930640 Nittany Business Movers Inc.
Alleged violation of VA Code § 56-288
MCE930641 Supreme Limousine Service Inc.
Alleged violation of VA Code §§ 56-338.106 and 56-338.111
MCE930683 Bradleys, Inc.
Alleged violation of VA Code 56-333.26
MCE930726 Ryder Dedicated Logistics Inc.
Alleged violation of VA Code § 56-304
MCE930727 Vicar Limousine Service
Alleged violation of VA Code § 56-304
MCE930728 Tantastic Tanning Center
Alleged violation of VA Code § 56-304
MCE930729 Oxendine, Hearl
Alleged violation of VA Code § 56-304.1
MCE930730 Cross Country Transportation
Alleged violation of VA Code § 56-304.11
MCE930731 Wando Trucking Inc.
Alleged violation of VA Code § 56-304.11
MCE930732 K&M Transport
Alleged violation of VA Code § 56-304.11
MCE930733 Visconti, Carol
Alleged violation of VA Code § 56-304.11
MCE930734 Russin Lumber Corporation
Alleged violation of VA Code § 56-304.2
MCE930735 Lynch Exhibits
Alleged violation of VA Code § 56-304.2
MCE930736 Thayer, Lori Lynn
Alleged violation of VA Code § 56-288
MCE930737 Bonnie Blue Moving & Hauling
Alleged violation of VA Code § 56-388.8
MCE930738 Supreme Limousine Service Inc.
Alleged violation of VA Code § 56-338.111
MCE930739 Supreme Limousine Service Inc.
Alleged violation of VA Code § 56-338.111
MCE930740 Universal Am-Cam Ltd.
Alleged violation of Lease Rule 1
MCE930783 Wilmington Tank Line, Inc.
Alleged violation of VA Code § 56-304.11
MCE930784 H & W Transport Inc.
Alleged violation of VA Code § 56-304
MCE930785 Zuber Limousine Service Inc.
Alleged violation of VA Code § 56-300
MCE930786 A & B Professionals
Alleged violation of VA Code § 56-338.8

MCE930787 A & A Transfer Co.
Alleged violation of Household Goods Rule 21
MCE930788 Supreme Limousine Service
Alleged violation of VA Code § 56-338.111
MCE930789 S & F Trucking
Alleged violation of VA Code § 56-304.1
MCE930790 Bulmer, Donald Stewart, Jr. t/a Village Carpet
Alleged violation of VA Code § 56-338.111
MCE930791 Aries Equipment Corp.
Alleged violation of VA Code § 56-304.2
MCE930792 Pribble, Maria t/a Travel Spectrum
Alleged violation of VA Code § 56-292
MCE930793 A & A Transfer, Inc.
Alleged violations of VA Code § 56-317
MCE930794 Fleet Transport Va Inc.
Alleged violation of VA Code requiring records be available to SCC
MCE930822 West Northwest Transportation
Alleged violation of VA Code § 56-304.11
MCE930823 Chavis Transfer Inc.
Alleged violation of VA Code § 56-304.11
MCE930824 Bob Young Trucking Inc.
Alleged violation of VA Code § 56-304.11
MCE930841 Cross County Transportation
Alleged violation of VA Code § 56-304.11
MCE930842 Sundance Transport Inc.
Alleged violation of VA Code § 56-304.11
MCE930843 Pryslak, George t/a Pryslak Trucking
Alleged violation of VA Code § 56-304.11
MCE930844 Chavis Transfer Inc.
Alleged violation of VA Code § 56-304.11
MCE930845 Chavis Transfer Inc.
Alleged violation of VA Code § 56-304.11
MCE930846 Cross County Transportation
Alleged violation of VA Code § 56-304.11
MCE930847 Weaver, Richard Wayne t/a Weaver Livestock
Alleged violation of VA Code § 56-288
MCE930848 Carlton, Eleanor J.
Alleged violation of VA Code § 56-288
MCE930849 Avelar, Reynaldo t/a Latino's Moving, Inc.
Alleged violation of VA Code § 56-288
MCE930850 Zigman, Steven M. and Donna M.
Alleged violation of VA Code § 56-304.2
MCE930857 Pryslak, George t/a Pryslak Trucking
Alleged violation of VA Code § 56-304.11
MCE930858 Miller, Eugene L.
Alleged violation of VA Code § 56-304.2
MCE930859 Fruit Salad Inc. t/a Flavor Fresh
Alleged violation of VA Code § 56-304.2
MCE930860 American Messenger Services
Alleged violation of VA Code § 56-304.1
MCE930861 Custom Ltd. t/a Custom Concrete
Alleged violation of VA Code § 56-288
MCE930903 Lav Travel & Shipping Inc.
Alleged violation of VA Code § 56-304.1
MCE930904 Logue Farms, Inc.
Alleged violation of VA Code § 56-304.2
MCE930905 General Iron & Steel Co.
Alleged violation of VA Code § 56-304.2
MCE930906 Bank Equipment Installers
Alleged violation of VA Code § 56-304.2
MCE930907 Johnson, Jr., John W.
Alleged violation of VA Code § 56-304.2
MCE930908 Sundance, Inc.
Alleged violation of VA Code § 56-304.11
MCE930909 Bratten, James E.
Alleged violation of VA Code § 56-304.11
MCE930910 Transportation Technique
Alleged violation of VA Code § 56-304.11
MCE930911 Sundance, Inc.
Alleged violation of VA Code § 56-304.11
MCE930912 Bunzl Richmond, Inc.
Alleged violation of VA Code § 56-304.2

MCE930913 Cross Country Transportation Inc.
Alleged violation of VA Code § 56-304.11

MCE930914 Oliver, Randy t/a Sunrise Trucking
Alleged violation of VA Code § 56-304.11

MCE930915 Hassan, Wali A. t/a ATW Limousine Service
Alleged violation of VA Code § 56-300

MCE930916 Carroll Fulmer & Company
Alleged violation of VA Code § 56-304.11

MCE930917 Carroll Fulmer & Company
Alleged violation of VA Code § 56-304.11

MCE930918 Designer Deliveries Inc. t/a Motor Bed
Alleged violation of VA Code § 56-288

MCE930935 Somerville, Benjamin
Alleged violation of VA Code § 56-288

MCE930961 Virginia Regional Transit Corp.
Alleged violation of VA Code § 56-338.52

MCE930962 Bentex Services Inc.
Alleged violation of Lease Rule 3-A

MCE930963 Safeway Movers Delivery Service
Alleged violation of VA Code § 56-288

MCE930964 R & E Hauling Co. Inc.
Alleged violation of VA Code § 56-289

MCE930965 Myers Industries t/a Myers Tire Supply Co., Div.
Alleged violation of VA Code § 56-304.2

MCE930966 Simmons Company
Alleged violation of VA Code § 56-304.2

MCE930967 Sunshine Trading & Transportation Inc. of Norfolk
Alleged violation of VA Code § 56-304.2

MCE930968 Capitol Carbonic Corp.
Alleged violation of VA Code § 56-304.2

MCE930969 GDC Inc.
Alleged violation of VA Code § 56-304

MCE930970 Marine Concepts Inc.
Alleged violation of VA Code § 56-304.11

MCE930971 P & A Trucking Inc.
Alleged violation of VA Code § 56-304.11

MCE930972 Paul Perry Trucking
Alleged violation of VA Code § 56-304.11

MCE930973 Murrow Enterprises Inc.
Alleged violation of VA Code § 56-304.11

MCE930974 Midway Transportation Inc.
Alleged violation of VA Code § 56-304.11

MCE930985 Jack Gray Transport Inc.
Alleged violation of VA Code § 56-288

MCE930986 Jack Gray Transport Inc.
Alleged violation of VA Code § 56-288

MCE930987 Jack Gray Transport Inc.
Alleged violation of VA Code § 56-288

MCE930988 Jack Gray Transport Inc.
Alleged violation of VA Code § 56-288

MCE930989 Jack Gray Transport Inc.
Alleged violation of VA Code § 56-288

MCE930990 Waste Management of Virginia t/a Waste Management of Richmond
Alleged violation of VA Code § 56-288

MCE930991 Military Distributors of Virginia
Alleged violation of VA Code § 56-3042

MCE930992 Structured Steel Product Corp.
Alleged violation of VA Code § 56-304.2

MCE930993 Atlas Container Corp.
Alleged violation of VA Code § 56-304.2

MCE930994 Container Systems Inc.
Alleged violation of VA Code § 56-304.2

MCE930995 Crown Cork & Seal Co. Inc.
Alleged violation of VA Code § 56-304.2

MCE930996 Dixie Plywood Company of Washington DC
Alleged violation of VA Code § 56-304.2

MCE930997 Montgomery, Theresa t/a Super II Services
Alleged violation of VA Code § 56-304.11

MCE930998 Williams, Fitzroy and Gaskin, Stanton t/a Falco Trucking
Alleged violation of VA Code § 56-304.11

MCE931028 AG Suppliers Inc.
Alleged violation of Lease Rule 3-A

MCE931029 Rose, John Leonard Jr. t/a J L Rose Hog Market
Alleged violation of VA Code § 56-304
MCE931030 Environmental Recycling Inc.
Alleged violation of VA Code § 56-304.2
MCE931031 Peak Trucking Corporation
Alleged violation of VA Code § 56-304
MCE931032 Jet Haul Inc.
Alleged violation of VA Code § 56-304
MCE931033 Bailey's Moving & Storage of Washington DC, Inc.
Alleged violation of VA Code § 56-304
MCE931034 W H Johns Inc.
Alleged violation of VA Code § 56-304.1
MCE931035 Sundance Inc.
Alleged violation of VA Code § 56-304.1
MCE931037 Sundance Inc.
Alleged violation of VA Code § 56-304.11
MCE931038 Suburban Truck Brokers
Alleged violation of VA Code § 56-304.11
MCE931039 T W I
Alleged violation of VA Code § 56-304.2
MCE931073 Alan William Transfer Co.
Alleged violation of VA Code § 56-304.11
MCE931074 S&D Trucking Co.
Alleged violation of VA Code § 56-304.11
MCE931075 Aetna Freight Lines
Alleged violation of VA Code § 56-304.11

MCO: MOTOR CARRIER DIVISION - OPERATIONS

MCO930204 Harris Trucking Company
Rule to show cause for failure to replace check and remit penalty
MCO930324 Ex Parte: Registration
Adoption of single state insurance registration
MCO930426 Ex Parte: Registration
Adoption of rules and regulations for Single state insurance registration program
MCO930427 Native American Trucking Co. Inc.
Rule to show cause for failure to remit $25 penalty and replace bad check
MCO930428 Native American Trucking Co. Inc.
Rule to show cause for failure to remit penalty and replace bad check
MCO930443 Gee, Richard W.
Rule to show cause for failure to replace bad check and remit $25 penalty

MCS: MOTOR CARRIER DIVISION - RATES AND TARIFFS

MCS930001 Home Stretch Inc.
For cancellation of broker's License No. B-137
MCS930002 Execucar Luxury Sedan Service
For suspension of certificate No. XS-29
MCS930003 Omary, Mazen M.
For certificate as an executive sedan carrier
MCS930004 True Brit, Inc.
Alleged violation of VA Code § 56-300
MCS930005 International Limousine Service, Inc.
For certificate as an executive sedan carrier
MCS930006 Home Stretch, Inc.
For authority to cancel broker's license No. B-137
MCS930007 Jay & Jay Investments, Inc.
For certificate as an executive sedan carrier
MCS930008 Ryals-Jordan, Inc.
For certificate as a sight-seeing and special or charter party carrier by boat
MCS930009 McLean Limousine Company, The
For certificate as an executive sedan carrier
MCS930010 Escort Limousine Service, Inc.
For certificate as an executive sedan carrier
MCS930011 Urban Transportation of Virginia Inc.
For certificate as a common carrier of passengers by motor vehicle
MCS930012 Mount Vernon Travel, Inc.
For license to broker transportation of passengers by motor vehicle
MCS930013 Atkinson Tank Lines, Inc., Transferor and Transport South of Virginia, Inc., Transferee
To transfer certificate as a petroleum tank carrier No. K-137
MCS930014 Eastern Motor Transport, Inc., Transferor and Transport South of Virginia Inc., Transferee
To transfer certificates as petroleum tank truck carriers Nos. K-8, K-120 and K-132

MCS930015 Julian Travel Associates, Inc.
For license to broker transportation of passengers by motor vehicle

MCS930016 Steelman, Jean B. and J. David
For cancellation of certificate No. LM-189

MCS930017 Shaffer, Dorene T/a Shaffer Sedan Service
For certificate as an executive sedan carrier

MCS930018 Wharton Storage, Inc., Transferor and Greenbush Service Co., Transferee
To transfer certificate as a household goods carrier No. HG-415

MCS930019 Vangelder, Steven G. and Maria t/a Ace Limousine Service
For cancellation of certificate No. LM-138

MCS930020 Basil, James W., Sr. and Margaret H.
For certificate as an executive sedan carrier

MCS930021 Lee, Seon Kyu
For certificate as an executive sedan carrier

MCS930022 Chamoun, Boutros H.
Alleged violation of VA Code § 56-300

MCS930023 Moody Moving & Storage, Inc.
Alleged violation of VA Code § 56-300

MCS930024 Idelbi, Abdul M.
Alleged violation of VA Code § 56-300

MCS930026 Mendiola, Norlando
For certificate as an executive sedan carrier

MCS930027 V.I.P. & Celebrity Limousines Inc.
For certificate as an executive sedan carrier

MCS930028 Fowler, Wendall W. t/a Network Sedan
For cancellation of certificate No. XS-25

MCS930029 Bancmarc Transportation, Inc.
Alleged violation of VA Code § 56-300

MCS930030 Selective Moving & Storage Inc.
For certificate as a household goods carrier

MCS930031 True Brit, Inc.
For suspension of certificate No. LM-103

MCS930032 Tarver, Jean M. t/a J S T Limo
For certificate as a limousine carrier

MCS930033 Jefferson, R. Neill t/a Blue Ridge Limousine and Tour Service
To transfer certificate as a limousine carrier

MCS930034 Top Hat Limo's, Inc. t/a Above and Beyond Limousine Service
Alleged violation of VA Code § 56-300

MCS930035 Lindsey, Brenda B.
For cancellation of Certificate No. XS-65

MCS930036 Bekins Moving & Storage Co.
For approval of pledge certificate No. HG-268

MCS930037 Norview Cars, Inc.
For cancellation of limousine certificate

MCS930038 Ski Travel Associates of Virginia, Inc.
Alleged violation of VA Code § 56-304

MCS930039 Mays, Dan O. t/a Ace Limousine Service
For certificate as a limousine carrier

MCS930040 Lincoln Sedan, Inc.
For certificate as an executive sedan carrier

MCS930041 Herman, Peter J. t/a Northern Virginia Sedan Service Inc.
Alleged violation of VA Code § 56-300

MCS930042 Arbogast, Steven Cam
For cancellation of certificate Nos. LM-242 and XS-45

MCS930043 Ski Travel Associates of VA, Inc.
For cancellation of certificate No. LM-175

MCS930044 Bekins Moving & Storage Co.
For approval of pledge certificate No. HG-258

MCS930045 Hallmark Moving & Storage, Inc. and Harrison's Moving & Storage, Inc.
To amend certificate as a household goods carrier No. HG-418

MCS930046 Great American Vacations, Inc.
For certificate as a special or charter party carrier by motor vehicle

MCS930047 Alia International Services Inc., t/a Limo Express
For certificate as an executive sedan carrier

MCS930048 Great American Van & Storage Inc., Transferor and Covan World-wide Moving, Inc., Transferee
To transfer certificate as a household goods carrier No. HG-174

MCS930049 Garrison, James M. t/a James Limousine Transportation
For certificate as an executive sedan carrier

MCS930050 Logan's Bus Line, Inc.
For cancellation of certificate No. B-334

MCS930051 Boykin, Michael L. t/a A Simple Limo
For cancellation of certificate No. LM-206

MCS930052 Chamoun, Boutros H.
For cancellation of certificate No. LM-200

MCS930053 Professional Limo Service, Inc.
For cancellation of certificate No. LM-208

MCS930054 Dominion Coach Company, Transferor and Bon Air Transit Co., Transferee
To transfer portion of certificate No. B-350 as a special or charter party carrier

MCS930055 Dulles Airport Transportation Inc.
For certificate as an executive sedan carrier

MCS930056 Martin, James D. t/a Formal Affair Limousine Service
For certificate as a limousine carrier

MCS930057 Fowler, Wendall W. t/a Network Sedan
For cancellation of certificate No. XS-25

MCS930058 Ghannam, Mohammad
For certificate as a limousine carrier

MCS930059 Oil Transport, Incorporated
For certificate as a petroleum tank truck carrier

MCS930060 Herndon, James C. and Gene N. t/a JMS Sedan Service
For certificate as an executive sedan carrier

MCS930061 Crigger, Roger Dale, Harris, Mark L. and Michael L.
To transfer certificate as a limousine carrier

MCS930062 Walta, Michael H. t/a Luxury Limousine
For suspension of certificate No. XS-58

MCS930063 C.M.C Inc.
For certificate as an executive sedan carrier

MCS930064 Nubulk Services of Virginia
For cancellation of certificate No. K-117

MCS930065 Heritage Limousine Company
For certificate as a limousine carrier

MCS930066 Smith, Lorraine or Bill t/a "Joy Ride"
For certificate as a limousine carrier

MCS930067 Better Business Connection Inc., t/a BBC Express
For certificate as a special or charter party carrier by motor vehicle

MCS930068 Sutton, James
For cancellation of limousine certificate No. LM-234

MCS930069 Baker, Christopher D.
For certificate as an executive sedan carrier

MCS930070 Deleonardis, Rocco J.
For cancellation of certificate No. XS-54

MCS930071 DMV Limousine
Alleged violation of VA Code § 56-300

MCS930072 Stafford Limousine, Inc.
For certificate as an executive sedan carrier

MCS930073 Arnell's Limousine Service Inc.
For cancellation of certificate No. LM-194

MCS930074 Erin Kay Charters, Inc.
For certificate as sight-seeing and special or charter party carrier by boat

MCS930075 Beach Limousine Services, Inc., Transferor and East Coast Limousine Service, Inc., Transferee
To transfer limousine certificate No. LM-59

MCS930076 Services International, Inc.
For certificate as an executive sedan carrier

MCS930077 Marish, Stevan, Jr.
To transfer certificate No. LM-218 to Northern Virginia Sedan Service

MCS930078 Office Movers, Inc.
For certificate as a household goods carrier

MCS930079 McCombs Bros. Moving & Storage, Inc.
For certificate as a household goods carrier

MCS930080 Savage, Audrey & Harrison
For certificate as a special or charter party carrier by motor vehicle

MCS930081 Go-Fer Services, Inc.
For certificate as an executive sedan carrier

MCS930082 Fairfax Town Car Service, Inc.
For failure to comply with provision of law

MCS930083 Retes, Pedro E. t/a Intimacy Limousine Service
For cancellation of limousine certificate No. LM-114

MCS930084 Sutton, James
For cancellation of limousine certificate No. LM-234

MCS930085 Hydro-Tap Service, Inc. t/a The Limousine Service, Transferor and Kenneth L. Banes, t/a The Limousine Service
To transfer certificate No. LM-94

MCS930086 P & B Limousines, Inc.
For cancellation of limousine certificate No. LM-223

MCS930087 Westfields International Conference Center, Inc., Transferor and Conference Center Interests, Inc., Transferee
For license to broker the transportation of passengers by motor vehicle

MCS930088 Boston Coach-Washington Corp.
For certificate as a special or charter party carrier by motor vehicle
MCS930089 Kloke Movers, Inc.
For certificate as a households goods carrier
MCS930090 Dipietrantonio, Thomas t/a Choice Limousine
Alleged violation of VA Code § 56-300
MCS930091 Delsstar, Inc.
For cancellation of certificate No. XS-4
MCS930092 Eates, Frank Jr. and Peter V. t/a Luxury Limousine Service
For cancellation of limousine certificate No. LM-5
MCS930093 Grand Limousines, Inc.
For cancellation of limousine certificate No. LM-12
MCS930094 Jim Garth Limousine & Transportation Co.
Alleged violation of VA Code § 56-300
MCS930095 Bryant, Roger E. t/a Star Valley Limo
For certificate as a limousine carrier
MCS930096 Wassif, George and Michael
For certificate as an executive sedan carrier
MCS930097 Hussain, Basharat t/a B.H. Limousine Service
Alleged violation of VA Code § 56-300
MCS930098 Chesterfield Travel Agency Inc.
To amend certain license to broker transportation of passengers No. B-79
MCS930100 Jefferson Limousine Service Inc.
For cancellation of limousine certificate No. LM-4
MCS930101 Gulfstream Limousine Company
For certificate as an executive sedan carrier
MCS930102 Nite Life Marina, Inc.
For certificate as a limousine carrier
MCS930103 Wadsworth Limousine, Inc.
For certificate as a limousine carrier
MCS930104 Shifflett, Robert J. t/a Dulles Limousine Service
For certificate as a limousine carrier
MCS930105 Security Plus, Inc.
For certificate as a limousine carrier
MCS930106 Indian River Sports Travel
For cancellation of certificate
MCS930107 Walker, Calvin E., Sr.
For certificate as a limousine carrier
MCS930108 Radouani, Aziz
For certificate as an executive sedan carrier
MCS930109 Burgess, Louis M.
For suspension of certificate No. XS-5 for one year
MCS930110 Clewis, David W. t/a Cerro Gordo Limousine Service
To amend certificate as a limousine carrier No. LM-212
MCS930111 James River Bus Lines
For certificate as a common carrier of passengers by motor vehicle
MCS930112 Hartec Corporation
Alleged violation of VA Code § 56-300
MCS930113 Eates, Frank Jr. and Peter V. t/a Luxury Limousine Service
For cancellation of certificate No. LM-5
MCS930114 Intercity Bus Lines Inc.
For cancellation of certificate Nos. P-2434, P-2463, P-2491, P-2522, P-2557, B-299 and B-338
MCS930115 Aylor, Joseph H. Jr.
For certificate as an executive sedan carrier
MCS930116 Geda, Fisseha
For certificate as a limousine carrier
MCS930117 Powell, Tyrone t/a Excel Limousine Service
For certificate as a limousine carrier
MCS930118 Supreme Limousine Service Inc.
For certificate as a limousine carrier
MCS930119 Supreme Limousine Service Inc.
For certificate as an executive sedan carrier
MCS930120 Carlisle, Kelley A. t/a Blue Chip Limousine
Alleged violation of VA Code § 56-300
MCS930121 Defilippi Enterprises Inc. t/a Personally Yours Enterprises, Inc.
For suspension of limousine certificate No. LM-101
MCS930122 Jorgensen, Thomas C.
For license to broker the transportation of passengers by motor vehicle
MCS930123 R.D. Holland Builders Inc. t/a Holland Holiday Tours
For cancellation of broker's license No. B-110
MCS930124 Trammel, George H. Jr.
For suspension of limousine certificate No. LM-179

MCS930125 Williams, Reginald J. d/b/a Yum-Yum Limo Service
For suspension of limousine certificate No. LM-182
MCS930126 USA Transportation Inc.
For certificate as a limousine carrier
MCS930127 Frye, Michael t/a Frye's Transport Service
For certificate as a limousine carrier
MCS930128 Adventure Cruises Inc.
For certificate as a sight seeing and special or charter party carrier by boat
MCS930129 Murphy's Services, Ltd.
For certificate as a limousine carrier
MCS930130 Spencer Transfer, Inc., Transferor and Varga Enterprises, Inc., Transferee
For transfer of portion of certificate as a petroleum tank truck carrier No. K-52
MCS930131 Field, Jeffrey M. t/a Ace Limousine Service
For certificate as an executive sedan carrier
MCS930132 Ultimate Limousine, Inc.
For certificate as a limousine carrier
MCS930133 Ultimate Limousine, Inc.
For certificate as an executive sedan carrier
MCS930134 University Limousine, Inc.
Alleged violation of VA Code § 56-300
MCS930135 Silver Bullet Sedans Inc.
For certificate as an executive sedan carrier
MCS930136 Yellow Cab Co of Charlottesville
For certificate as a special or charter carrier by motor vehicle
MCS930137 Warren, Norman
For certificate as a limousine carrier
MCS930138 C&T Transportation, Inc.
For certificate as a common carrier of passengers over irregular routes
MCS930139 Davis, Paul A. Jr.
For certificate as an executive sedan carrier
MCS930140 Linebaugh, Mark B. t/a British Jaguar Sedan Service
For certificate as an executive sedan carrier
MCS930141 Goad, Thomas A.
For certificate as an executive sedan carrier
MCS930142 Yellow Cab Co. of Charlottesville
For certificate as a common carrier of passengers by motor vehicle over irregular routes
MCS930143 Teddean Limo Services
For suspension of certificate No. B-304 for one year
MCS930144 Celebrity Limousine of Lee County
For certificate as a limousine carrier
MCS930145 Tar Hill Stage Lines, Inc.
To transfer special or charter party certificate No. B-395 to Norfolk Motor Coach
MCS930146 Tokhi, Sardar A. t/a Express Limousine & Sedan Service
For certificate as a limousine carrier
MCS930147 Three G Enterprises, Inc.
Alleged violation of VA Code § 56-300
MCS930148 Ambassador Limousine
Alleged violation of VA Code § 56-300
MCS930149 Ambassador Limousine
Alleged violation of VA Code § 56-300
MCS930150 Shaffer, Dorene t/a Shaffer Sedan Service
For certificate as an executive sedan carrier
MCS930151 Strickler, Leo Jay
For certificate as a limousine carrier
MCS930152 Spectrum of Richmond Inc.
For license to broker the transportation of passengers by motor vehicle
MCS930153 A 1st Class Limousine Inc.
Alleged violation of VA Code § 56-300
MCS930154 Exclusive Limousine Service
Alleged violation of VA Code § 56-300
MCS930155 Sports Enterprises Inc.
For cancellation of broker's license No. B-91
MCS930156 Crawford Transit Inc.
Alleged violation of VA Code § 56-300
MCS930157 Howell, Bruce E.
For certificate to operate as a limousine carrier
MCS930158 Tess Travel & Conference
For license to broker the transportation of passengers by motor vehicle
MCS930159 Nelson, Charles Henry Sr. t/a Nelson's Limousine Service
For certificate as a limousine carrier
MCS930160 Hassan, Wali A. t/a ATW Limousine Service
Alleged violation of VA Code § 56-300

MCS930161 Promenade Limousine Services
Alleged violation of VA Code § 56-300
MCS930162 Hilldrup Moving & Storage of Richmond
Alleged violation of VA Code § 56-300
MCS930163 Polo Bay Corporation
Alleged violation of VA Code § 56-300
MCS930164 Jefferson Limousine Service
For suspension of certificate No. LM-4
MCS930165 Turner Transport Company, Transferor and J&P Transport, Transferee
To transfer portion of certificate as a petroleum tank truck carrier K-113
MCS930166 Virginia Regional Transit Corp.
For certificate as a special or charter party carrier by motor vehicle
MCS930167 Jim Garth Limousine and Transportation Co.
For cancellation of certificate No. LM-74
MCS930168 National Tour Services t/a Red Carpet Limousine
For cancellation of certificate granted in Case No. MCS920044
MCS930169 Merritt Trucking Company of Virginia
For certificate as a petroleum tank truck carrier
MCS930170 Kenan Transport Company
For certificate as a petroleum tank truck carrier
MCS930171 Wendell Transport Corporation
For certificate as a petroleum tank truck carrier
MCS930172 Signature Travel & Limousine Service Inc.
For certificate as an executive sedan carrier
MCS930173 Adventure Limousine Service Ltd.
For cancellation of certificate No. LM-232
MCS930174 Gulfstream Limousine Company
For certificate as a limousine carrier
MCS930175 Foster Fuels, Inc.
For certificate as a petroleum tank truck carrier
MCS930176 Propane Transport of Virginia
For certificate as a petroleum tank truck carrier
MCS930177 MS Ltd. d/b/a Imperial Travel
For cancellation of special or charter party carrier certificate No. B-33
MCS930178 Hallmark Moving and Storage Co., Inc., Transferor and Regency Moving and Storage Co., Inc., Transferee
To transfer certificate as a household goods carrier No. HG-418
MCS930179 D.A.Y. Enterprises Inc.
For special or charter party carrier certificate
MCS930180 Dervishian, Robert W. Jr.
For license to broker the transportation of passengers by motor vehicle
MCS930181 American Air Transport Inc., Transferor and Office Movers, Inc., Transferee
To transfer certificate as a household goods carrier No. HG-373
MCS930182 Signature Limousine Inc.
For certificate as an executive sedan carrier

PST: DIVISION OF PUBLIC SERVICE TAXATION

PST920006 Land'Or Utility Company, Inc.
For review and correction of assessments - tax year 1992
PST920008 Arlington County
For review and correction of assessments of telecommunication companies - tax year 1992

PUA: DIVISION OF PUBLIC UTILITY ACCOUNTING

PUA920036 Shenandoah Telephone Company
For authority to loan funds
PUA930001 C&P Telephone Company of Virginia
For approval of service agreement between affiliates
PUA930002 Reston/Lake Anne Air Conditioning Corp.
For approval of an affiliate agreement
PUA930003 Roanoke & Botetourt Telephone Co.
For approval of amended affiliate agreement
PUA930004 Central Telephone Co. of Virginia
For authority to provide centralized telephone marketing services to an affiliate
PUA930006 Delmarva Power & Light Company
For approval of sale of the Cape Charles Generating Plant
PUA930007 Central Telephone Company of Virginia
For authority to advance funds to Central Telephone Company
PUA930009 Shenandoah Telephone Co.
For retroactive and current approval for banking services provided by an affiliate
PUA930010 Virginia Electric & Power Co.
For authority to sell public service property to BARC Electric Cooperative

PUA930011 Appalachian Power Company
For authority to receive cash advance from an affiliate
PUA930012 Potomac Edison Company, The
For authority to donate a parcel of land to the Shawnee Ruritan Club
PUA930013 C&P Telephone Co. of Virginia
For authority to sell building located in Chantilly, VA to Bell Atlantic Mobile Systems
PUA930014 Virginia Gas Distribution Co.
For authority to enter into affiliate agreements
PUA930015 Northern Virginia Electric Cooperative
For approval of proposed purchase and sale of electric distribution facilities
PUA930016 United Telephone-Southeast Inc.
For approval of a proposed affiliate agreement
PUA930017 Virginia Natural Gas, Inc.
For authority to enter into intercompany agreements between affiliates
PUA930018 United Cities Gas Company and UCG Energy Corp.
For approval to enter into a lease agreement with an affiliate
PUA930019 C&P Suffolk Water Co.
For approval to purchase Holland Water Co. and Delaney Drive Water Co.
PUA930020 Peoples Mutual Telephone Co.
For approval of a lease agreement with an affiliate
PUA930021 United Telephone-Southeast and Central Telephone Co. of Virginia
For approval of affiliate agreement
PUA930022 Virginia Natural Gas Inc.
For authority to sell public utility assets
PUA930023 LDDS Communications, et al.
For authority to effect merger
PUA930024 C&P Suffolk Water Company
For approval to purchase water systems
PUA930025 Virginia Natural Gas
For approval to enter into intercompany agreements between affiliates
PUA930026 Central Telephone Co. of Virginia
For approval of floor space agreement
PUA930027 Central Telephone Co. of Virginia
For approval of revised service agreement with Central Telephone Company
PUA930028 Virginia Natural Gas Company
For extension of authority to conduct spot gas purchase transactions with affiliates
PUA930029 Virginia Electric & Power Co.
For authority to enter into intercompany transportation agreement with Dominion Resources, Inc.
PUA930030 Virginia Natural Gas, Inc. and CNG Gas Services Corporation
For authority to contract for winter peaking service
PUA930031 General Waterworks
For approval of a plan of merger

PUC: DIVISION OF COMMUNICATIONS

PUC930001 Central Telephone Co. of Virginia
For 1992 annual informational filing
PUC930002 C&P Telephone Co. of Virginia
For 1992 annual informational filing
PUC930003 Contel of Virginia, Inc. d/b/a GTE Virginia
For 1992 annual informational filing
PUC930004 GTE South Inc.
For 1992 annual informational filing
PUC930005 United Telephone-Southeast Inc.
For 1992 annual informational filing
PUC930006 Metromedia Paging Services Inc.
To amend certificate to reflect new corporate name
PUC930009 Ex Parte: Rules
Adopting rules governing service standards for local exchange telephone companies
PUC930010 C&P Telephone Company of Virginia
To change boundary between Petersburg and Chester exchanges
PUC930011 Mobilecomm of the Southeast Inc.
For recognition of corporate reorganization and for amendment of certificate
PUC930012 Metro Mobile CTS of Charlotte Inc.
For certificate to provide cellular mobile radio communications in rural service area VA 1
PUC930013 Ex Parte: Rules
Adopting rules implementing Pay Telephone Registration Act
PUC930014 Central Telephone Company of Virginia
For authority to provide extended area calling from Fork Union to Charlottesville and Scottsville exchanges
PUC930015 Central Telephone Company of Virginia Inc.
For authority to provide extended area calling from Palmyra exchange to Charlottesville and Scottsville exchanges

PUC930016 Alternet of Virginia
For certificate to provide inter-lata, interexchange telecommunications service
PUC930017 Metrocall, Inc.
For recognition of corporate reorganization and amendment of certificate
PUC930018 K.J. Paging, Inc.
For cancellation of Hawkins Communications, Inc.'s certificate
PUC930019 Ex Parte: Investigation
Investigation of N11 access to information service providers
PUC930021 Virginia Citizens Consumer Council
For investigation of rates and charges of Chesapeake & Potomac Telephone Co. of Virginia
PUC930022 Chesapeake & Potomac Telephone Co. of Virginia
For approval of plan for alternative regulation pursuant to VA Code § 56-235.5C
PUC930023 Contel of Virginia Inc. d/b/a GTE Virginia
Investigation of telephone service quality
PUC930024 Chesapeake & Potomac Telephone Co. of Virginia
To reclassify bulk special access and single special access as actually competitive
PUC930025 Pagemart Operations, Inc.
For certificate to provide radio common carrier services throughout the Commonwealth
PUC930026 Virginia Cellular Ltd. Partnership
To amend certificate for a new cell site expanding Richmond CGSA
PUC930027 Virginia Cellular Ltd. Partnership
To amend certificate for new cell sites expanding rural service area 12
PUC930028 Virginia Cellular Ltd. Partnership
To amend certificate for addition of cell site in Virginia rural service area 9
PUC930031 C&P Telephone Company of Virginia
To implement local calling plans in various exchanges and to eliminate local exchange mileage charges
PUC930032 Contel of Virginia
For authority to merge GTE Virginia into GTE South, Inc.
PUC930033 Highland Cellular Inc.
For certificate for radio common carrier service
PUC930034 Metromedia Paging Services
To amend certificate to reflect new corporate name
PUC930036 Ex Parte: Investigation
Investigation telephone regulatory methods pursuant to VA Code § 56-235.5, etc.

PUE: DIVISION OF ENERGY REGULATION

PUE910074 English's Inc.
Petition for injunctive and other relief filed by Board of Supervisors for Campbell County
PUE920070 Delaney Drive Water Company Inc.
For certificate to provide water service in Oak Ridge subdivision in Suffolk, VA
PUE930001 Appalachian Power Company
For certification of a 34.5 kv distribution line outside its service territory
PUE930002 United Cities Gas Company
Alleged violation of subparts of 49 C.F.R. Sections 192 and 193
PUE930003 Southwestern Virginia Gas Co.
Alleged violation of subparts of 49 C.F.R. Sections 192 and 193
PUE930004 Linden, Barbara H. v. Shenandoah Electric Cooperative
For review pursuant to Commission's Rules
PUE930007 Tidewater Water Co. et al.
For an increase in rates
PUE930008 Virginia Electric & Power Co.
For extension of time for filing annual informational filing
PUE930010 Warwick Mobile Home Estates
For certificate to provide water and sewerage service
PUE930011 Commonwealth Public Service Corporation
For general rate increase
PUE930013 Virginia Gas Distribution Co.
For certificate pursuant to VA Code § 56-265.3
PUE930014 Central Virginia Electric Cooperative
For an expedited increase in rates
PUE930015 Ex Parte: Investigation
Investigation into Effects of Wholesale Power Purchases on Utility Cost of Capital; Effects of Leveraged Capital Structures on the Reliability of Wholesale Power Sellers; and Assurance of Adequate Fuel Supply
PUE930016 Roanoke Gas Company
For an increase in rates
PUE930017 Lake Monticello Service Co.
For authorization to utilize connection fees for capital improvements
PUE930018 Rainbow Forest Water Corp.
To amendment certificate No. W-135A
PUE930019 Mountain View Water Co., Inc.
To amend certificate pursuant to VA Code § 56-265.3(D)

PUE930020 Ex Parte: Investigation
Investigation into recovery of margin stabilization charges by electric distribution cooperatives
PUE930021 Virginia-American Water Co.
For an expedited increase in rates
PUE930022 Southwestern Virginia Gas Co.
1992 annual informational filing
PUE930023 United Cities Gas Company
For extension to file company's annual informational filing
PUE930024 Virginia Electric & Power Co.
To establish payments and charges for cogeneration and small power producers - 1993
PUE930025 Old Dominion Power Company
1992 annual informational filing
PUE930026 Virginia Natural Gas, Inc.
1993 annual informational filing
PUE930027 A & N Electric Cooperative
To revise Irrigation Service Schedules I and I-LM
PUE930028 Rainbow Forest Water Company
For rate increase under small water company statutes
PUE930029 Old Dominion Electric Cooperative and Public Service Electric and Gas Co.
For exemption from Commission Rules Governing Electric Capacity Bidding Programs
PUE930030 Virginia Electric & Power Co.
For approval of Pilot Program to Conduct Field Testing and Analysis of Certain New Electric Energy Technologies
PUE930031 Virginia Electric & Power Co.
For approval of Financing for Energy Efficiency Measures as a Pilot Program
PUE930032 Virginia Electric & Power Co.
For approval of Peak Day Pricing Pilot - Rider K
PUE930033 Potomac Edison Company
For a general increase in rates
PUE930034 Virginia Gas Company
Notification of intent to furnish gas service
PUE930035 Commonwealth Gas Services Inc.
For expedited rate increase in natural gas rates
PUE930036 Delmarva Power & Light Co.
For a general increase in rates
PUE930040 Kentucky Utilities Co. t/a/ Old Dominion Power Co.
To revise fuel factor pursuant to VA Code § 56-249.6
PUE930041 Delmarva Power & Light Company
To revise fuel factor pursuant to VA Code § 56-249.6
PUE930042 Delmarva Power & Light Company
To revise cogeneration tariff pursuant to PURPA § 210
PUE930043 Smith Mountain Water Company
To amend certificate pursuant to VA Code § 56-265.3(D)
PUE930044 A&N Electric Cooperative, et al.
To amend wholesale power cost adjustment clause
PUE930046 Virginia Electric & Power Co.
For approval of dispersed energy facility rate
PUE930047 Kentucky Utilities Company
To revise fuel factor
PUE930048 Shenandoah Gas Company
Annual informational filing
PUE930049 Washington Gas Light Company
Annual informational filing
PUE930051 Virginia Natural Gas Inc.
For approval of modification to certificate No. GT-66
PUE930052 Virginia Electric & Power Co.
To amend certificate authorizing operation of transmission lines and facilities in King George County
PUE930053 Public Service Co. of Virginia
For cancellation of certificate
PUE930054 Ex Parte: Investigation
Investigation of Rules Governing Electric Cooperative Rate Cases and Rate Regulation of Electric Cooperatives
PUE930055 Lake Holiday Estates Utility
To increase tariffs
PUE930056 Appalachian Power Company
For extension of time to file annual informational filing
PUE930057 Delmarva Power & Light Co.
For approval of conservation and load management aspects of commercial loan program and sale from time to time of notes thereunder
PUE930058 Smith Mountain Water Co.
For increase in tariff pursuant to VA Code § 56-265.13:1, et seq.
PUE930059 BARC Electric Cooperative
To revise tariffs to implement consumer deposit policy
PUE930060 Virginia Electric & Power Co.
To revise fuel factor pursuant to VA Code § 56-249.6

PUE930061 Potomac Edison Company
For approval of pilot conservation Load Management Project
PUE930062 Virginia Natural Gas Inc.
To revise Schedules 6, 7, and 9
PUE930063 Wilderness Water & Utility Co.
To revise rates
PUE930064 Potomac Edison Company
To revise fuel factor pursuant to VA Code § 56.249.6
PUE930065 Shawnee Land Utilities Co.
Motion for appropriate sanctions, penalties, suspension, revocation, alternative or amendment of certificate
PUE930066 Potomac Edison Company, The
Investigation to determine appropriate cogeneration tariff pursuant to PURPA § 210
PUE930067 Washington Gas Light Co.
For certification of utility facilities and amendment of certificate
PUE930068 Virginia Natural Gas
For waiver of gas pipeline safety requirements of 49 C.F.R. Part 193 (subpart B)
PUE930069 Amvest Oil & Gas Inc.
Notification of intent to furnish gas services
PUE930070 Delmarva Power & Light Co.
For approval of experimental conservation programs
PUE930074 Virginia Water & Sewer Co.
For cancellation of certificate No. S-79

PUF: DIVISION OF ECONOMICS AND FINANCE

PUF930001 Southwestern Virginia Gas Co.
For approval to issue securities
PUF930002 New Castle Telephone Company
For authority to incur long-term debt with REA
PUF930003 Virginia Electric & Power Co.
For authority to lease rail equipment
PUF930004 Northern Neck Electric Cooperative
For authority to convert fixed rate loans to variable rate loans
PUF930005 Potomac Edison Company, The
For authority to issue first mortgage bonds and pollution control notes
PUF930006 Community Electric Cooperative
For authority to select variable loan rate option on an existing loan
PUF930007 Amelia Telephone Company
For authority to borrow long-term debt
PUF930008 Appalachian Power Company
For authority to issue up to $200,000,000 in debt securities
PUF930009 BARC Electric Cooperative
For authority to issue notes to REA and CFC
PUF930010 Contel of Virginia d/b/a GTE Virginia
For authority to incur short-term indebtedness and to borrow funds on a long-term basis from an affiliate
PUF930012 Kentucky Utilities Company
For authority to issue and sell additional first mortgage bonds
PUF930013 Kentucky Utilities Company
For authority to issue short-term debt
PUF930014 Virginia-American Water Co. and American Water Works Co. Inc.
For authority to issue common stock to affiliate and long-term debt to industrial investor
PUF930015 Potomac Edison Company
For authority to issue common or preferred stock
PUF930016 Northern Virginia Electric Cooperative
For authority to establish short-term line of credit
PUF930017 Delmarva Power & Light Co.
For authority to enter into transactions related to issuance of tax-exempt debt
PUF930018 Virginia Electric & Power Co.
For authority to issue first and refunding mortgage bonds
PUF930019 C&P Telephone Co. of Virginia
For authority to issue long-term debt
PUF930021 Contel of Virginia, Inc. d/b/a GTE Virginia
Alleged violation of VA Code § 56-65.1
PUF930022 Delmarva Power & Light Co.
For authority to issue and sell long-term debt and preferred stock
PUF930024 United Telephone-Southeast Inc.
For authority to incur long term debt
PUF930025 Virginia Electric & Power Co.
For authority to issue preferred stock
PUF930026 GTE South, Inc.
For authority to incur short-term indebtedness

PUF930027 Northern Neck Electric Cooperative
For authority to incur long-term debt
PUF930028 Central Telephone Co of Virginia
For authority to incur long-term debt
PUF930029 Roanoke Gas Company
For authority to issue short-term debt
PUF930031 Roanoke Gas Company
Alleged violation of VA Code § 56-65.1
PUF930032 Potomac Edison Co., The
For authority to issue short-term debt
PUF930033 Washington Gas Light Company
For authority to issue short-term debt during fiscal year 1994
PUF930034 Washington Gas Light Company and Shenandoah Gas
For authority to make certain open account advances to two subsidiary companies
PUF930035 Appalachian Power Co.
For authority to issue pollution control bonds, first mortgage bonds and preferred stock
PUF930036 Southside Electric Cooperative
For authority to continue to participate in loan program
PUF930037 Community Electric Cooperative
For authority to enter into line of credit agreements
PUF930038 Roanoke Gas Company
For authority to issue intermediate term notes
PUF930039 Virginia Gas Distribution Co.
For approval of intercompany financing
PUF930040 Central Virginia Electric Cooperative
For authority to convert fixed loans to variable rate loans
PUF930041 Roanoke Gas Company
For authority to issue common stock
PUF930042 Rappahannock Electric Cooperative
For authority to enter into line of credit agreements
PUF930043 Virginia Electric & Power Co.
For authority to issue bonds
PUF930044 Virginia Electric & Power Co.
For authority to issue preferred stock
PUF930045 Rappahannock Electric Cooperative
For authority to incur long-term debt
PUF930046 Shenandoah Valley Electric Cooperative
For authority to change interest rate options on loan agreement
PUF930047 Kentucky Utilities Company
For authority to issue bonds and/or preferred stock
PUF930049 United Cities Gas Company
For authority to issue common stock
PUF930050 United Cities Gas Company
For authority to issue common stock
PUF930051 United Cities Gas Company
For authority to issue common stock
PUF930052 Community Electric Cooperative
For authority to borrow from REA and CFC
PUF930053 Potomac Edison Co., The
For authority to make borrowings under terms of multi-year credit agreement
PUF930054 United Cities Gas Company
For authority to issue short-term debt
PUF930055 Contel of Virginia d/b/a/ GTE
For authority to issue short-term debt
PUF930056 Virginia Electric & Power Co.
For authority to issue common stock
PUF930057 GTE South Inc.
For authority to incur short-term indebtedness
PUF930058 Appalachian Power Company
For authority to issue short term debt in excess of 5% of total capital
PUF930059 Delmarva Power & Light Co.
For authority to incur short-term indebtedness
PUF930061 Potomac Edison Co., The
For authority to refinance certain debt and preferred stock
PUF930062 Commonwealth Gas Services
For approval of intercompany financing for 1994
PUF930063 A&N Electric Cooperative
For authority to enter into loan agreements with REA and CFC
PUF930064 Virginia Electric & Power Co.
For authority to sell tax exempt securities

RRR: DIVISION OF RAILROAD REGULATION

RRR920007 CSX Transportation, Inc.
For authority to consolidate base agency and mobile agency services at Winchester, VA into customer service center at Jacksonville, FL

RRR930001 Norfolk Southern Railway Co.
For authority to close agency at Franklin, VA and place agency under jurisdiction of open agency at Suffolk, VA

RRR930002 CSX Transportation
For authority to consolidate existing agency and mobile agency service at Lynchburg, VA into Jacksonville, FL

RRR930003 Norfolk Southern Railway
For authority to close Front Royal, VA agency and place agency under Shenandoah, VA jurisdiction

SEC: DIVISION OF SECURITIES AND RETAIL FRANCHISING

SEC930001 First Security Investment
For offer of compromise and settlement

SEC930002 Metlife Securities, Inc. and Metropolitan Life Insurance Co.
For offer of compromise and settlement

SEC930003 Strategic Financial Group Pankowski Associates, Inc.
For offer of compromise and settlement

SEC930004 Linsly, Jared, Jr.
For offer of compromise and settlement

SEC930005 Benedictine Health System Obligated Group
For order of exemption pursuant to VA Code § 13.1-514.1.B

SEC930006 Campbell, Stephen J.
For offer of compromise and settlement

SEC930007 Strategic Investment Management, et al.
For official interpretation pursuant to VA Code § 13.1-525

SEC930008 Salomon Brothers, Inc.
For offer of compromise and settlement

SEC930009 Zeigler Securities
For official interpretation pursuant to VA Code § 13.1-525

SEC930010 Coleman, William Disston
For order imposing special supervisory procedures under the Securities Act of Virginia

SEC930011 Mount Vernon Baptist Church
For order of exemption pursuant to VA Code § 13.1-514.1.B

SEC930012 Sisters of Providence Obligated Group
For order of exemption pursuant to VA Code § 13.1-514.1.B

SEC930013 Consolidated Investment Corp.
For offer of compromise and settlement

SEC930014 Hayashi, Shannon A.
For authority to have term "permanent injunction" vacated from order of 1-17-90

SEC930015 Prince George County Farm Bureau
For order of exemption pursuant to VA Code § 13.1-514.1.B

SEC930016 Colonial Heights Baptist Church of Colonial Heights
For order of exemption pursuant to VA Code § 13.1-514.1.B

SEC930017 Rebibo & Chorazy, Inc.
For offer of compromise and settlement

SEC930018 Steadman America Industry Fund, et al.
For offer of compromise and settlement

SEC930019 Planning Associates, Inc.
For offer of compromise and settlement

SEC930020 Landmark Baptist Church
For order of exemption pursuant to VA Code § 13.1-514.1.B

SEC930021 Southside Baptist Church
For order of exemption pursuant to VA Code § 13.1-514.1.B

SEC930022 Mount Vernon Country Club Inc.
For order of exemption pursuant to VA Code § 13.1-514.1.B

SEC930023 Mount Lebanon Baptist Church of Norfolk, Virginia
For order of exemption pursuant to VA Code § 13.1-514.1.B

SEC930024 Delta National Products, Inc.
Alleged violation of VA Code §§ 13.1-507 and 13.1-504(B)

SEC930025 Harris, Willis C.
Alleged violation of VA Code §§ 13.1-504(A) and 13.1-507

SEC930026 Richardson, Gary W.
For offer of compromise and settlement

SEC930027 Gibralter Securities, Inc.
For offer of compromise and settlement

SEC930028 National Covenant Properties
For order of exemption pursuant to VA Code § 13.1-514.1.B

SEC930029 Crossroads Baptist Church
For order of exemption pursuant to VA Code § 13.1-514.1.B

SEC930030 Coolidge Securities Corp.
For offer of compromise and settlement
SEC930031 Graham Rogers & Company, Inc.
For offer of compromise and settlement
SEC930032 Keith Culbertson & Associates Inc.
For offer of compromise and settlement
SEC930033 Columbia Union Revolving Fund
For order of exemption pursuant to VA Code § 13.1-514.1.B
SEC930034 Shearson Lehman Brothers, Inc.
For offer of compromise and settlement
SEC930035 Abundant Life Church of Christ
For order of exemption pursuant to VA Code § 13.1-514.1.B
SEC930036 Chippenham Church of Christ
For order of exemption pursuant to VA Code § 13.1-514.1.B
SEC930037 Rug Rats, Inc., Petitioner v. King Industries Inc., Respondent
For cancellation of trademark registration
SEC930038 Ex Parte: Rules
Promulgation of rules pursuant to Securities and Retail Franchising Act
SEC930039 Financial Planning Services Group, Inc.
For offer of compromise and settlement
SEC930040 Travelers Equities Sales
For offer of compromise and settlement
SEC930041 Travelers Equities Sales
For offer of compromise and settlement
SEC930042 Camden Capital, Inc.
For offer of compromise and settlement
SEC930043 Apton, Ralph J.
Alleged violation of VA Code § 13.1-504A
SEC930044 Citizens Brokerage Services Inc.
For offer of compromise and settlement
SEC930045 George, Kenneth E.
For offer of compromise and settlement
SEC930046 Tanner, Timothy H.
For offer of compromise and settlement
SEC930047 First Pentecostal Holiness Church
For order of exemption pursuant to VA Code § 13.1-514.1.B
SEC930048 First Equity Corporation of Florida
For offer of compromise and settlement
SEC930049 Heier Advisory Corporation
Alleged violation of Securities Act Rule 1202(A)(11)(B), 1202(A)(14), et al.
SEC930050 Heier, Robert M.
Alleged violation of VA Code § 13.1-504
SEC930051 Children's Hospital of Pennsylvania and Children's Hospital Foundation
For order of exemption pursuant to VA Code § 13.1-514.1.B
SEC930052 Alan B. Slifka Capital Corp.
For offer of compromise and settlement
SEC930053 Bear's Heil, Inc.
For order of exemption pursuant to VA Code § 13.1-514.1.B
SEC930054 Clearing Services of America
For offer of compromise and settlement
SEC930055 Pembrook Securities, Inc.
For offer of compromise and settlement
SEC930056 Davenport & Company of Virginia, Inc.
For offer of compromise and settlement
SEC930057 Douse, George H.
For offer of compromise and settlement
SEC930058 America Group Financial Planning Corp., The
For offer of compromise and settlement
SEC930059 Glickenhaus & Company
For offer of compromise and settlement
SEC930060 Shurgard Realty Advisors Inc.
For offer of compromise and settlement
SEC930061 Carter Investment Capital Inc.
For offer of compromise and settlement
SEC930062 Sands Brothers & Company Ltd.
For offer of compromise and settlement
SEC930063 Chadwick Securities, Inc.
For offer of compromise and settlement
SEC930064 Berkeley Securities Corp.
For offer of compromise and settlement
SEC930065 New Life Church of Hampton
For order of exemption pursuant to VA Code § 13.1-514.1.B

SEC930066 Portfolio Asset MGT/USA Financial Group, Inc.
For offer of compromise and settlement
SEC930067 Ginsberg, Richard Scott
For implementation of special supervisory procedures
SEC930068 Meespierson Investment Finance (US) Inc.
For offer of compromise and settlement
SEC930069 Shady Grove Presbyterian Church
For order of exemption pursuant to VA Code § 13.1-514.1.B
SEC930070 Bennett, Arthur G.
For offer of compromise and settlement
SEC930071 First Mount Vernon Financial Corp.
For offer of compromise and settlement
SEC930072 Deposit Management Services Inc.
For offer of compromise and settlement
SEC930073 Sahr, Morris Gallup
For offer of compromise and settlement
SEC930074 Brantany Development Corp.
For offer of compromise and settlement
SEC930075 Rencap Securities, Inc.
For offer of compromise and settlement
SEC930076 Investors Security Co. Inc.
For offer of compromise and settlement
SEC930077 Sullivan, Richard
For offer of compromise and settlement
SEC930078 Sullivan, Richard
For offer of compromise and settlement
SEC930079 Covenant Church of God
For certificate of exemption pursuant to VA Code § 13.1-514.1.B
SEC930080 Christian Broadcasting Network Inc., The
For certificate of exemption pursuant to VA Code § 13.1-514.1.B
SEC930081 Sullivan, Richard
For offer of compromise and settlement
SEC930082 Bridgemere Capital Markets, Inc.
Alleged violation of VA Code §§ 13.-518.1, et al.
SEC930083 Montana Higher Education Student Assistance Corp.
For certificate of exemption pursuant to VA Code § 13.1-514.1.B
SEC930084 Jesup & Lamont Securities Corp.
For offer of compromise and settlement
SEC930085 Hermitage Road Church of Christ
For certificate of exemption pursuant to VA Code § 13.1-514.1.B
SEC930086 Kirchoff, Bruce E.
Alleged violation of VA Code §§ 13.1-502, 13.1-504 and 13.1-507
SEC930087 Delaware County Authority University Revenue Bonds, Series of 1993
For certificate of exemption pursuant to VA Code § 13.1-514.1.B
SEC930088 UBS Asset Management (New York) Inc.
For official interpretation pursuant to VA Code § 13.1-525
SEC930089 N M Capital Management Inc.
For offer of compromise and settlement
SEC930090 Tamaron Investments Inc., Formerly known as National Securities Network Inc.
Alleged violation of Rule 305(A)(3) of Commission's Rules
SEC930091 Mid States General, Inc. and John E. Black
Alleged violation of VA Code §§ 13.1-502, 13.1-504A, et al.
SEC930092 Berry, Maureen Ignatia
For implementation of special supervisory procedures
SEC930093 Regester Chapel United Methodist Church
For certificate of exemption pursuant to VA Code § 13.1-514.1.B
SEC930094 Toth Financial Advisory Corp.
For offer of compromise and settlement
SEC930095 Geonatural Resources, Inc.
For offer of compromise and settlement
SEC930096 Reedy, Pat
For offer of compromise and settlement
SEC930097 Cypress Capital Management Inc.
For offer of compromise and settlement
SEC930098 Lutheran Church Extension Fund, Missouri Synod
For order of exemption pursuant to VA Code § 13.1-514.1.
SEC930099 Berkeley Securities Corp.
For offer of compromise and settlement
SEC930100 Comprehensive Capital Corp.
For offer of compromise and settlement
SEC930101 Cole Publishing Inc.
For offer of compromise and settlement

SEC930102 Holmes, Allan E. Individually and d/b/a Holmes & Associates
For offer of compromise and settlement

SEC930103 Dome of Canaan Baptist Church of Chesapeake, VA
For order of exemption pursuant to VA Code § 13.1-514.1.B

SEC930104 Loudoun Healthcare Foundation, A Division of Loudoun Healthcare, Inc. - Pooled Income Trust Fund
For order of exemption pursuant to VA Code § 13.1-514.1.B

SEC930105 Voicecom Holdings Inc.
For official interpretation pursuant to VA Code § 13.1-525

SEC930106 Prudential Securities
For offer of compromise and settlement

SEC930107 International Pentecostal Holiness Church Extension Loan Fund, Inc., The
For order of exemption pursuant to VA Code § 13.1-514.1.B

SEC930108 Anvil Securities Corp.
Alleged violation of VA Code § 13.1-518.1

SEC930109 Linc Securities Corp.
Alleged violation of VA Code § 13.1-518.1

SEC930110 Westamerica Investment
Alleged violation of VA Code § 13.1-518.1

SEC930111 FSC Securities Corp.
For offer of compromise and settlement

SEC930112 Apex Resources, et al.
Alleged violation of VA Code §§ 13.1-502, et al.

SEC930113 Investex Petroleum Inc., et al.
Alleged violation of VA Code §§ 13.1-504(A), et al.

SEC930114 Coastal Energy Inc., et al.
Alleged violation of VA Code §§ 13.1-504(A), et al.

SEC930115 Fourth Financial Corp.
For official interpretation pursuant to VA Code § 13.1-525

SEC930116 Mitchell Rotan & Company
For offer of compromise and settlement

SEC930117 Dale City Christian Church
For order of exemption pursuant to VA Code § 13.1-514.1.B

SEC930118 Grace Brethren Investment
For order of exemption pursuant to VA Code § 13.1-514.1.B

SEC930119 GCR Global Capital Resources, Inc.
For offer of compromise and settlement

SEC930120 GP Global Partners Inc.
For offer of compromise and settlement

SEC930121 Moses, Robert Israel
For offer of compromise and settlement

SEC930122 Foehl, John Hamilton
For offer of compromise and settlement

SEC930123 Wels Church Extension Fund Inc.
For order of exemption pursuant to VA Code § 13.1-514.1.B

SEC930124 Sobral & Associates, Inc., et al.
Alleged violation of VA Code §§ 13.1-502, et al.

SEC930125 Swinson, Jewel and Virginia Real Estate Investment Exchange, The
For offer of compromise and settlement